THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established In 1917

April 26, 1947

FOREIGN RELATIONS

AN EDITORIAL

MacArthur's Reports Gild Truth

By Robert P. Martin

China Textiles Under Fire

By Ben Y. Lee

Yellow River Reclamation Begun

By Dick Wilson

COMMUNIST SAVAGERY

AN EDITORIAL

VOLUME 105 PRICE CNC$2,000 NUMBER 9

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LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

Warm Heart

To The Editor:

Yesterday I received a letter from Miss F. in which she gave a great deal of sympathy. I never dreamed there were so many warm hearts in this cold, cruel world.

Usually I hear the words "bloody," "slaughter" and "civil war," etc. and it seems to me one scarcely knows the meaning of consolation. But at last I have met a warm-hearted person. With feelings of the deepest gratitude I shall remember this debt forever, and the generous and valuable help of Miss F. inspires me to great courage in living.

I know I have had wrong thoughts, the whole world is not so cold, and all people do not have cold hearts, as I had thought. I am an inland young man of 17 who graduated from senior middle school last year, and will always try to show you and Miss F. by his improvement, his appreciation for your sympathy and kindness.

If it is possible, please publish this letter, and accept my thanks.

Y. Y. W.

Shangjao, Kiangsi,
April 16, 1947.

World War III?

To The Editor:

With regard to the civil war now in progress, the *Review* cries for its peaceful end, but holds the unjust idea that the American Government repeatedly proclaims its intention of suppressing those elements which defy their own governments, thus giving the impression that it will assist only those governments which are pro-American. If there should ever be a third world war, I wonder whether it will be started by America.

Since V-J Day, I have been a constant reader of the *Review*. Now our brothers are fighting each other, how miserable the Chinese people are! I shall continue to read your *Review* till peace comes to this land.

M. HUA.

Tientsin, Hopei,
April 17, 1947.

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Enemy Of People

To The Editor:

All Formosans I have interviewed are in favor of Taiwan being placed under a mandate system until China is free from the Gestapo and safe for Democracy. Despite this, the entire vernacular press in Hongkong declares the scheme to be fantastic. Why? Certainly not because any of the editors of these papers really believe that General Chen Yi's rule is good, but because they are controlled or intimidated either by the remnants of Fascism or by followers of the Kremlin.

The Chinese Fascists, including the Mikado's residue, Chen Yi, and the secret agents he led in the massacre of the masses, want to use Formosa as a base for reviving Hitlerism in East Asia. The Communists are afraid that a UNO mandate would mean American domination.

This phenomenon is prima facie evidence that Truman's aid to China's present regime means the destruction of American liberalism in China. Truman in this respect is actually worse than Judas, for Judas received 30 pieces of silver for betraying his master.

It is strange that a man like Governor

THE CHINA WEEKLY REVIEW

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Chen Yi, who for the past 20 years has had a reputation for being a pro-Japanese militarist working for the destruction of Democracy, should blame the Taiwanese he murdered recently for having a Japanophobia.

Unless history is forgotten members of the Political Science Clique were authors of Tuan Chi-jui's mass killing of patriotic students. These Political Scientists were known as pro-Japanese all these years. They participated in almost every activity against Dr. Sun Yat-sen in his revolutionary career.

Yes, the Political Science Clique was and is infallible. The Chinese and the world are destined to suffer despite Mr. J. W. Powell's statement that one member of the Political Science Clique — Governor Chen-Yi—is now Enemy Number One of the people.

B. T. WONG.

Hongkong,
April 20, 1947.

Chen Yi In Fukien

To The Editor:

I am very grateful to Mr. J. W. Powell for the detailed report of the Taiwan Incident. I was greatly shocked when I read "Taiwan Island's Blood Bath" in the March 29 issue of the *Review*. I blame Chen Yi for his maladministration and sympathize with the Taiwanese for their ignorance.

Since I am Fukienese, I know much about Governor Chen Yi, who was once cursed and expelled by the Fukienese. Chen Yi, as I see him, often puts himself in the position of a lord, and considers the people as his servants.

When he was governor of Fukien, he ran three "particular" organizations. One was the Kung-Ku Bureau, which controlled food, another was the "Trading Company" which monopolized such important commodities as salt, matches, liquor, etc., and the other was the "Transportation Company" handling communications.

As an example of the way in which these bureaus operated, the Kung-Ku Bureau ordered the farmers to offer their rice to the Bureau after harvest, and rationed the rice according to the population. Consequently an Incident broke out, and thousands of hungry people besieged the Bureau and killed some officers, for the Bureau had not allocated rice to the people.

The Transportation Company did not allow merchants to send their commodities to the market by their own carts or ships. They were forced to hand their commodities over to the company for transportation. If some merchant wanted to have his goods sent quicker than the others, he would have to pay something "extra" to the managers of the company.

Now Chen Yi has been running a similar government, rotten with corruption and nepotism, in Taiwan. General Pai, Minister of National Defense, who has been investigating the Incident, recently announced a good settlement. We hope the Central Government will soon put it into effect, and recall Chen Yi from Taiwan.

T. H. KING.

Chuanchow, Fukien,
April 12, 1947.

Nephew

To The Editor:

I read the article entitled "Opium Vending Governor of Sikang" with very much interest. Having lived in Szechuen for several years, I have heard many stories about the General in question that lead me to believe that Mr. Meng wrote the truth.

But if I remember correctly the late General Liu was not the present General's uncle, but his nephew. I should like to make this correction. With my best wishes.

Paoting, Hopei, S. LO.
April 11, 1947.

Taiwan Terrorized

To The Editor:

Enclosed is a copy of a letter which I sent recently to The Secretariat of the United Nations Organization. I hope you will publish it in the *Review*.

The Formosans, who loved freedom so much that they founded the first Republic in Asia at the end of the last century, are now again terrorized by the enemies of the bill of rights and the principle of the writ of Habeas Corpus, who in turn are supported by the United Nations Organization whose duty should be the defense of liberty.

Since the Japanese capitulation, the Kuomintang secret police, who are modelled after Hitler's Gestapo and Hirohito's Kempetai, have made Taiwan a Devil's Island Concentration Camp, in which Marshal Chang Hsueh-liang, punished for making General Chiang Kai-shek an anti-Japanese leader instead of taking orders from Tokyo, is now imprisoned together with thousands of others.

These C. C. agents and Tai Li's henchmen have crippled all industrial and commercial institutions which the Nipponese left here. They have purged or destroyed scholars and local leaders who believed in liberalism and a government of the people, by the people and for the people. They employed the most notorious collaborators to implant thoughts of the divinity and infallibility of Il Duce and Der Fuehrer. Most of the so-called Blueshirts were themselves pupils of Himmler and other such enemies of liberty. They are in Formosa to trush liberty.

Governor Chen Yi was for years a faithful follower of the Japanese aggres-

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sors. The Democratic League in Kunming had long since enumerated his pro-Japanese activities, when General Chiang Kai-shek was supposed to be leading China to fight for the Allied cause.

So long as Chen Yi, the Kuomintang Gestapo and the philosophy they represent rule Formosa the island constitutes a menace to world peace. It is a stronghold of Nazism and Fascism which the United Nations Organization is under obligation to destroy.

On behalf of Formosa's Democratic Youth, I petition you, United Nations Organization, to apply sanctions immediately to the Kuomintang and compel it to withdraw its Gestapo agencies and carpet-baggers, to guarantee us Formosans rights of self-government and direct supervision by the United Nations Organization so long as Fascistic, totalitarian and anti-democratic regimes remain in China.

The recent public demonstrations in various parts of Formosa were only the beginning of our protests against terrorism, despotism and misrule by those who are attempting to use Formosa as the base of operations for reviving Hitlerism.

K. DING.

Hongkong,
April 8, 1947.

Famine In Shensi

To The Editor:

I am a vocational school student, studying the books from which I am taught and a few magazines. With regard to your esteemed *Review*, although I only recently began to read it, I know that it has been a very popular English-language magazine printed in China for a long time. It often has brilliant articles and letters from the common people of China, and as a common person myself I am very glad to read them.

Two years ago, our enemy the Japanese surrendered unconditionally. All over the country people celebrated this historically unprecedented victory, and in former occupied areas the national flags fluttered in the sky.

Unfortunately, these joyful scenes were shortlived, for soon after victory the civil war broke out. Millions and millions of innocent people have been driven to the front again. From time to time we can hear the roar of guns, and bombs are continually flying about. Magnificent edifices and houses have been destroyed. Towns and villages have been razed to the ground, transformed into ashes by fire. Vineyards, orchards and gardens have been destroyed and trees rooted up. Crops such as wheat and barley are trampled down by armies or used as fodder by their horses while still green.

Alas! How pitiful and desperate is China today. My dear Mr. Editor, you must know that our fatherland, China, is the poorest country in the world, and her people the hardiest. She needs peace and freedom. Now my own native country is foodless. Thousands of poor, innocent people are starving. Famine is raging in my native province—Shensi.

When I write of these things my heart feels broken to such a degree that I cannot write any more. Will you rescue me from my dampened thoughts with a kind letter?

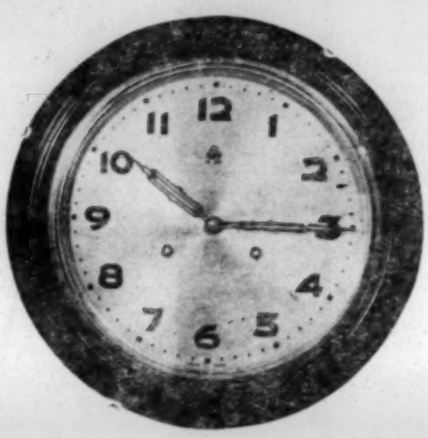
JENN JIA-TUAN.

Wukung, Shensi,
April 16, 1947.

Peace Via Force

To The Editor:

Affter reading the fully reasonable article entitled "Can China Be United By Force?...." by Mr. Chen Fu-sheng in the April 5 issue of the *Review*, I felt very moved by its contents. Its main reasoning is that China should not be united by



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force, and he quoted many facts from history.

However, Mr. Chen has ignored the stubbornness of the Communists, who did not accept the talks of peace, and closed their doors to the Nationalist Government. Political means of solving the problem of civil strife are impossible. The Nationalist Government has plainly viewed these two facts and has naturally had to resort to force in order to annihilate the Communists. Though this may not be the right way, there is no better method.

There is hope for the Communists in our country, but they must necessarily correct their activities (killing masses of people who have done no harm, setting fire to houses, etc.). Then we Chinese may discuss a peaceable solution.

All parties in China should shake hands and build up a democratic form of government.

SHU HAN SHEN

Anking, Anhwei.
April 17, 1947.

Chinese Abroad

To The Editor:

Your editorial of March 1st entitled "Chinese Abroad," deserves much thought by both Chinese and foreigners. Indeed, it is one of the many human problems which bother everybody. While I am in full agreement with you on the matter of ill-administration on the part of the Chinese government, I seriously doubt the logic of your conclusion.

In the first paragraph you said: "Restrictive actions....exist in virtually all countries in the Far East, as well as in the U.S. and other Western nations.... indicates that the problem may be more complicated." What does that mean? What has the present ill-administration to do with the many Chinese who have been living in foreign lands for years, or even generations?

Is the smuggling of a few Chinese into those countries which do not welcome them, necessarily the fault of the Chinese? Of course, if you believe in collective responsibility, then I have nothing to say. Furthermore, if you think that when a country is in difficulty, even though it is the fault of but a few, the other countries are justified in degrading her people, that is also a different matter.

I cannot see why a Chinese, who had been living in California for years, and is a veteran of the U.S. Navy, should be considered as a savage Indian, and therefore unfit to live among the "white people—" Why should millions of Chinese in the Philippines, the East Indies, Siam and other places, be persecuted? Do many wrongs make a right? Does the word "complicated" excuse all the criminal acts as well as mistakes? If so, I am afraid that the German Nazis, Japanese militarists and those Chinese big guns who are deliberately undermining China, should all be excused. What a pleasant thought!

You said: "Personally, we are in favor of increasing the number of visas issued to Chinese who wish to go abroad ....for the purposes of study." Well and good. China should not allow a single person to go abroad for the purpose of "travel." Not at the present time. On the other hand, if any Chinese who is not spending money in any foreign country "for the purpose of study," is either excluded or persecuted on some sort of an excuse, is that not a tragedy? Can any Chinese perform "productive" work if is he is not given a chance?

I think you will agree with me that behind all these noises, the real reason why Chinese are not treated right is economic, rather than any other. Those poor overseas Chinese who have the guts and the ability to distinguish themselves in business, lack a powerful country to

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stand up for their rights, which they have achieved by legal means and hard work. The British, Americans and Russians have no problem such as this, because they have guns, ships, and atomic bombs to back them up.

It is indeed a great disappointment to see a magazine like yours put the blame for the present Chinese chaos upon all Chinese people. It is a surprise (maybe it should not be), to hear you say that all the discrimination is merely "complicated." Would you care to explain?

CHEN WEN-CHAO.

Iowa, U.S.A.,
March 27, 1927.

Chengtu Incidents

To The Editor:

Having read the letters of Yu Wei-liang and Lee Yee-yuen in recent issues of the *Review*, I am no longer willing to remain silent.

I am a devout Christian, too, and I agree 100 percent with Yu Wei-liang's viewpoint that Christians ought to have a stronger sense of justice and a deeper love for truth. It is really a disgrace to all of us that we pass everything by with a shrug of the shoulders. For this reason, I always try to stand up and point out right from wrong, no matter how much I am opposed.

I would like to unveil before the public several things which are still buried in "darkness," which occurred the year before last, and left the Universities, and all Chengtu, terribly shaken for a period of time. The policy of news censorship adopted by this government, is so thorough that no real account of this matter reached any Chinese paper.

One of the students here, Lee Szi-yui by name, suspected of belonging to the CP, was ruthlessly attacked by some special service students and seriously injured. He was taken back to his own room and unlawfully searched. A lot of forged documents which denounced the government, brought beforehand and planted in his suitcases, were "found" by the special service students who conducted the search. Thus he was proved to be a Communist, and even worse, a traitor. Of course, it was a "preschemed" plot.

Later we were told that the leader of the San Min Chu I Youth Corps of the University had been awarded a special prize by the Central Youth Corps, for rendering such a service, while most of the special service students were given a special reward. What a terrible shame!

Several months later a similar event occurred. Three of our liberal professors here were attacked by a certain paper edited by the so-called special service students. Even worse, some of them forged the handwriting of Professor Lee Shiang-fuh, one of the three "target" professors, then and still leader of the Democratic League in Nanking, and put up a notice stating several excusable reasons for Russia's seizure of all the machinery in the northeastern provinces upon her withdrawal.

Undoubtedly such a notice was meant to stir up pedestrians who passed by the wall on which it was posted. The students' group became larger, and before an irrational and rioting crowd, a motion was proposed to drive Professor Lee out of the University immediately.

Fortunately, Dean Yeh Ling, then Acting President, wisely persuaded the crowd to disperse, and settled the matter smoothly. Later, the four special service students who had led the movement were given some demerits and a one-year suspension from school. What a shameful thing they did! Why were these four not dismissed? It really is a disgrace to the University, nay, even to the Kuomintang and the San Min Chu I Youth Corps.

The latest incident I should like to report is a recent movement "Against Foreign Intervention," which has just risen to its highest pitch of enthusiasm. None of the liberals or clear-minded were interested in taking part. In the Teachers' Rest Room one day a sheet of paper appeared saying that those in favor of such a "movement" should sign their names. The number of names eventually appearing on the paper was negligible.

That same night I was visited by one of the professors accompanied by a student, carrying the same sheet of paper. The reason for the visit was obvious, and despite the loss of "face" to the professor and my regard for him as a neighbor, I firmly refused to comply with their proposal to sign the paper. The next day I read in the headlines of a local paper that "One Hundred and Nine Professors of Different Chengtu Universities Were Against Foreign Intervention."

This certainly was an empty boast, for included in the list were a number of low officers, one of whom had just been promoted from servant. I do not intend to look down on low officers or servants. My point is that officers are officers and not professors at all. Why then should they be classed as the latter?

From the several facts that I have mentioned above, I wonder how the Kuomintang and San Min Chu I members expect to win the confidence of the people?

The other day one of my friends came to me and said: Let me tell you some secret news. Yesterday I was told that your name is on the so-called 'Black-list,' and that you are suspected of being a member of the Democratic League. Please be careful in the future. Tell me, my friend, to what party do you belong?"

"Well," I answered frankly, "I am a Chinese and a son of our Heavenly Father —a Christian. That is all. My conscience will smite me if I keep silent and do not speak out for the truth."

O, fellow brothers and sisters in Christ, why do we stand unmoved, and let society degenerate morally day by day? We are "the salt," we are "the light." God gives each one of us a tongue. Why do we not take up our responsibility and speak out boldly that which we ought to speak? Why do the prominent Chinese Christian leaders not stand up and point out the direction in which we should go? Is the proverb "silence is golden" really true and praiseworthy? I doubt it. Let me conclude this letter by asking, "Who is our prophet?"

CHANG CHOW.

April 13, 1947.
Chengtu, Szechuen,

Vocabulary

To The Editor:

Please receive my heartfelt thanks for the very useful vocabulary the *Review* has given me. However, some of the words are too much for my poorly edited dictionary. For this reason I must trouble you for an explanation of the following words.

Recently, I saw the word "capita," but failed to grasp its precise meaning, although I know it has some relation to a certain scope in point of farms. "Kala-azar" is a kind of disease, I know, but what is its Chinese equivalent? Many times I have seen the word "Zaibatsu," which refers to the Japanese, and I beg you to do me the favor of explaining its meaning in Chinese characters.

In the March 29 issue of the *Review*, I came across the word "roly-poly," which is an adjective, but its meaning is foreign to me. In the same issue I alighted upon the phrase "Malan salient," and after much thought I am at a loss to find an explanation.

I am very sorry to waste your valuable space, but would be pleased if you would answer my inquiries.

FULL CHOW.

Changshu, Kiangsu,
April 14, 1947.

(EDITOR'S NOTE: — "Capita" means head, and is usually prefaced by the word "per;" kala-azar is a disease known as black death; Zaibatsu refers to the clique which controls big business in Japan; roly-poly is an adjective used to describe a person who is short and stout or fat; the Malan salient refers to a Communist projection in the area known as Malan in the border region. The Chinese characters for kala-azar are 黑死病 for Zaibatsu (財閥).

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'Hungry Gardeners'

To The Editor:

Education, especially primary education, is a fundamental requirement in the building up of a new nation. The monthly income of teachers, especially those in primary schools, is at present so small they are hardly able to support themselves. With the existence of such a situation, how can we expect to reap good fruits from such a barren educational field plowed by so-called "hungry gardeners"—the teachers!

Recently we read in one of the local papers that the principal of a certain primary school in Loh Sze Hsien, resigned his post and came to Chengtu to be a ricksha coolie because his small income was not enough to support the heavy burden of his family. In his letter to the paper, the former principal asserts that his present income is several times larger than before, and so petitioned the government to pay attention to elementary education, otherwise our coming generation will be so poorly nourished in the mud of bad education they will fall into the abyss of ignorance.

There is also news of a primary school teacher in a certain hsien in Chengtu, committing suicide recently because his salary had not been paid for several months. What a terrible tragedy!

Yesterday, I received a letter from a former student of mine who is now teaching in a primary school in Neikiang. He asked me to recommend him for any position except teaching, in any central government organization, because the salaries in the latter are higher than in any other provincial or county government organization.

"My monthly salary is only CNC$30,000 here, but to date I have not received my salary for December. Every month I have to borrow money in order to pay for my board. My dear honorable teacher, will you excuse me if, because of such poor treatment, I no longer stick to the so-called sacred post of teaching. While in school, I was firmly convinced by you that we students of normal school have to be faithful and lifelong warriors along the line of education. But now I am sorry to say that our faith in education has been greatly shaken and our ideals of education are but castles in the air. The reason for this is simply because the primary school teachers' income has been too long overlooked."

It was said in the press the other day that in Chungking 31 private schools, both middle and primary, were honored for their good records in school administration with an appropriation of CNC$20,000 each, by the Local Bureau of Education. What a tiny amount this is at the present time! How could it be compared with the huge sum of CNC$8,000,000 per day for refreshments during the National Assembly.

The figure for an annual budget of a certain research organization established under the Ministry of Economics, it is said, is so tiny that it could support the cost of the civil war for only three minutes. Indeed the teachers grow thin while the warriors fatten; education is last and the war first.

In conclusion, I should like to say that our government is far from being a government of the people, by the people and for the people; it is a government of the warriors, by the warriors and for the warriors!

C. K. HOO.

Chengtu, Szechuen,
April 15, 1947.

The Judas Kiss

To The Editor:

Judging from the fact that your "double-machine" government is trying to persecute Henry Wallace with its judicial expediency, simply because the latter has been speaking too much in the name of world peace and humanity, I cannot help being reminded of how Jesus was betrayed by Judas's kiss, and crucified in the company of two robbers.

I have now come to look down upon such gentlemen of your ruling class, as they are stripped of their democratic masks in their attempt to tear down the golden heritage left by FDR, who must surely be weeping in his grave over the split in the world, as well as in his own beloved country, thanks to the ambitions and chauvinism of his friends, colleagues and followers, many of whom have turned out to be Judases since his death.

However, I believe Henry Wallace will never surrender, even at the cost of his life, and all peace loving people of all nations will follow him in their struggle to overthrow bureaucracy, militarism, Fascism, Hitlerism, and all the other isms that are contrary to the cause of peace and humanity and the welfare and progress of mankind.

CHANG PEI-LIN.

Shanghai,
April 20, 1947.

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THE CHINA WEEKLY REVIEW

密勒氏評論報

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Foreign Relations

FOR several centuries one of the main problems of successive Chinese governments has been the question of foreign relations—at first only with bordering countries but later with virtually all the nations of the world.

Despite the importance of this problem and its continuous reappearance, China's governments have indicated that they always have misunderstood the basic issues involved just about as badly as they have misunderstood the essentials of ruling minority groups within the country.

This is phenomenal since these problems have been dealt with for so long. One would think that sooner or later a Chinese government would rise which could see the essential mistakes its predecessors had made in dealing with minority problems and in conducting foreign relations.

We have amply-documented history of China's foreign relations in the period since the arrival of the first Westerners in Pacific waters. However, we are able to discern from official—and therefore obviously prejudiced—Chinese accounts of dealings with the peoples of Asia that China had the same difficulties in the dim past with her Far Eastern neighbors that she has had in modern times with virtually all foreign powers with which she has come in contact.

The only instances when the nation's foreign relations seemed to be in a satisfactory state occurred during periods of great expansion when China's armies overran one or more of the nation's borders. Relations were simple then as the conquering armies exacted tribute from the vanquished peoples, as well as from new neighbors who paid rather than provoke further onslaughts. After each wave of expansion, though, the inevitable happened; court intrigues, governmental inefficiency and corruption set in and the far-flung outposts withdrew, were captured, or merely sank into the life of the country and thus disappeared. In such a situation China once found that instead of her frontier being below the half-way mark in Indo-China, it was along the border of Fukien Province, with the cities of Foochow, Canton and Kweilin under the control of one of the Indo-China empires.

In recent years China's geographic position seems to have become somewhat more formalized and, barring future wars with unexpected results, one might presume that China's boundaries will remain for some time more or less as they are at present. The only possible immediate alteration might be expected in the Northwest, where misrule of minorities has already enabled the land-hungry Russians to extend their influence recently through the setting up of an "autonomous" Outer Mongolian regime. There are many minority groups in Tibet, Sinkiang, Sikang, Inner Mongolia and even in Szechuen which might prefer "autonomy" or outright annexation to the Soviet Union to the kind of rule they are now experiencing under Nanking.

Meanwhile, it would behoove Nanking to begin to look at the rest of Asia, and the countries which lie beyond, in a more realistic manner. The rest of the world today is in no mood to pay tribute to the "Dragon Throne" in the middle of the universe. China can get along amicably with the other nations only by embarking upon a new policy of *honest* cooperation, based on *complete* reciprocity. China cannot force other nations to pay tribute, nor can she trick and beguile them into so doing. She may exact a minute amount of "tribute" from a few of the wealthier nations of the West through such charity organizations as UNRRA and various private or semi-private groups like the Red Cross, YMCA, missionary societies, etc. However, this will last only for a limited period. Either China will become less chaotic, so the need for organized foreign charity will become less, or the givers will tire of year in, year out, never-ending appeals for help by Chinese statesmen and foreign friends abroad.

We don't wish to sound hard-hearted, since we, too, regularly make our contributions to needy causes here. However, we do think that the time has come for the Chinese people and the Chinese Government to realize that they can't go on indefinitely as the world's poor relations asking for and receiving a dole. China has got to get on her own feet, and soon, if she wishes to retain the respect of the world and—possibly—her complete territorial integrity.

* * *

THIS is only one aspect of China's problem of foreign relations. Last week we had occasion to comment upon a specific example of how China attempts to advance a tenable argument for either side of the case, the side depending upon which position will net the most at the moment. There are three motorships lying in port here which were bought by a Chinese firm from the Foreign Liquidation Commission. The firm sent representatives to Manila to take possession. Crews were hired, contracts were signed. The vessels arrived here last January. The men were not paid their wages, nor was any passage back to Manila arranged.

Not until repeated protests had been made through the American Consulate-General did the local authorities do anything. The crew of one ship has now been sent back to Manila. Their accumulated back wages were paid—but in CNC which cannot be taken from the country. The

other ships' crews are still penniless and there is at present no indication that the Chinese Government plans to do anything for them unless absolutely forced to do so.

Meanwhile, China has since the war launched several protests with various governments over treatment of Chinese crews stranded in foreign countries, demanding that justice be done, or else....! Now, it is just common sense that if China expects other nations to look after Chinese crews victimized by foreign employers, China, likewise, must do the same for foreign seamen stranded here through no fault of their own.

This present case is all the more pertinent since the seamen stranded here are Filipinos. Just last week China signed a treaty of general relations with the Philippines, by which each country agreed to consider the other as a friendly power and to accord all possible assistance to each other's nationals. Since the end of the war, China has, moreover, made repeated protests to the Roxas Government over cases of alleged mistreatment and discrimination against Chinese in the Philippines.

The whole question of China's overseas sons demonstrates plainly how China still refuses to recognize the idea of reciprocity and equality as a basis for operation. The Chinese Government meddles continually in the internal affairs of all countries of Asia where there is disorder and a large Chinese population. Since these two factors exist in most Asiatic nations today, China's intrigues cover virtually all of Asia.

It cannot be denied that from time to time every Asiatic country which has a large Chinese immigrant population gets around to passing discriminatory legislation restricting the activities of the Chinese. The Chinese Government most certainly should protest such cases and insist upon assurances that similar instances will not recur. However, that's about as far as China should push the matter.

Actually, Nanking's official policy might be said to be one of insisting that all Overseas Chinese be entitled to all the privileges of native citizens, of insisting that all Overseas Chinese be exempted from the noxious duties (such as conscription) required of native citizens, of insisting that all Overseas Chinese have complete freedom to remit foreign currency to China, of insisting that foreign exchange remittances of foreigners resident in China be virtually eliminated.

This idea of "eating one's cake and having it, too," just simply will not work in the world today. China is not the "center of the universe" toward which the rest of the world turns for enlightenment and taxation. It is merely another country which, if it wants to be considered responsible, and if it wants to get along amicably with its fellow nations, must realize that all are equal and international relations are a two-way affair, requiring as much give as there is take.

Radical Suggestion

MEASURES To Be Adopted In Dealing With Idle Capital. —*Shun Pao.*

How about investing it in productive enterprises?

Too Much Ambiguity

IT has become noticeable that the new Chinese Government loan has met with less enthusiasm among businessmen and prospective investors than among the officials who sponsor the project. The reason is not far to seek. The Government would do well to clarify the question of security for these loans. While much has been said as to the adequacy of backing, its specific nature is still veiled in ambiguity.

Mr. P. T. Chen, Director of National Loans, Ministry of Finance, states that the purpose of the US$100,000,000 Gold Bond issue is to augment the Government's foreign exchange assets and to promote the country's foreign trade. Mr. Chen further states that the loan is to be secured on the foreign exchange assets at the disposal of the Central Bank of China. How can it be secured on assets it is intended to augment?

If the Government needs foreign exchange—and that it does is common knowledge—presumably it needs foreign exchange in excess of the amount held by the Central Bank. How then can the reserve held by the Central Bank be used as security? The Government has gained nothing at all and has lost the interest it must pay, unless it spends foreign exchange in excess of the reserves of the Central Bank which are already at its disposal. If it does so, that borrowed money is not adequately secured.

Unless the Government is hoping for some windfall of which it has made no mention—the elusive loan from the United States Government, perhaps—it can only hope for so pronounced an excess of exports over imports before the bond issue matures, that the debt can be paid. Redemption and interest payments are scheduled every six months in the next 10 years. The government will have to clear a profit on export trade equal to the interest and to the principal of this issue as it matures.

While such a development would be welcome indeed, the Government is certainly not in a position to guarantee its bondholders that it will come about. Even were the bondholders willing to speculate upon such an eventuality, by no stretch of the imagination could the loan be said to be adequately secured.

The purpose of the Treasury Notes is to encourage savings and to stabilize currency, according to the same official source.

"The Treasury Notes are guaranteed by certain units of Government productive enterprises and enemy and puppet properties, to be designated for this specific purpose by the National Government. When these enterprises and properties are sold to the public, as they are intended to be, the proceeds thereof will be turned over to the Sinking Fund Commission for meeting service payments. The designation of these securities is specific and adequate enough for the meeting of these new obligations."

This seems more reasonable. However, it still leaves a great deal to be explained. Apparently the Government proposes to realize, by means of this loan, the proceeds of the sale of Government properties before the sale takes place.

It should be noted that to the extent that currency is taken out of circulation by this loan, currency taken out of circulation by the sale of Government properties will be put back in circulation in interest and principal payments.

But from the cautious investor's point of view the security is still somewhat vague. He may reasonably hesitate to invest his life's savings before being told on what specific properties his investment is to be secured. Do they comprise the total of all Government properties to be sold, or will the proceeds of some of these sales be diverted to other purposes before all issues are retired? There may also be doubts in his own mind as to the saleability of these unspecified properties. How many of the Government owned properties will bring a reasonable bid within a reasonable length of time?

The simple fact is that the investor has no idea on what assets his money will be secured. He is simply told that there are assets to cover them. In other words, the loan is based simply on the credit of the Chinese Government and the assurance of the Chinese Government that it will be able to pay. There is no physical backing. In the case of the U.S. Dollar Loan the security mentioned cannot be adequate or there would be no loan raised. In the case of the Treasury Notes the backing is not specific. The Government cannot expect these loans to be taken up as a matter of good business, with the information which so far has been released. Whether patriotism or some other pressure will be strong enough to make their sale successful remains to be seen.

Taiwan's New Deal

WITH the appointment of Dr. Wei Tao-ming, former ambassador to Washington, as governor of Taiwan, we have another example of how rightous public opinion can triumph in China. For nearly two months there have been public protests against General Chen Yi's administration. The press has played its part in keeping the public informed of happenings in Taiwan.

The fact that it required two months of continuous agitation to bring about the change shows that, although effective, public opinion is not as strong as it should be. It was not "convenient" for Nanking to fire Chen Yi until the National Government reorganization, in which Chen Yi's political friend, Chang Chun, got the premiership, was completed. In any event it is indeed heartening to see that public opinion can force a decision, even though so belated as to be scandalous.

* * *

DR. WEI will find his new job the most difficult he has yet undertaken in his many years of public service. He will be confronted with a population which will fasten a critical and suspicious eye upon his every act. He will enter office under a cloud, which will indeed be difficult to dispel.

Perhaps the greatest obstruction will come from the Central Government bureaucrats who have been waxing fat under the old regime. There are at present, according to official figures, about 10,000 mainland officials in Taiwan. This figure looms even larger when one understands that so far the mainland regime has not imposed itself down to the small town or village level. Just the "top" positions in the normal governmental offices, plus the special offices such as the monopoly and trading bureaus, have been occupied. If the provincial government should extend its sway down to the villages, as has been done in China, the figure probably will be nearly doubled.

With the abolition of some of the monopolistic features of the Taiwan administration there will be hordes of hungry bureaucrats looking for jobs. No other jobs could be as lucrative as those connected with the island's economy. Further, according to General Pai Chung-hsi's reform recommendations, which are reported to have been accepted by Generalissimo Chiang, the lower political posts in the countryside are to be occupied by Taiwanese.

Dr. Wei will have a great deal of difficulty with his predecessor's large staff. After they have wound up their affairs, they will be reluctant to leave the luxurious life the island affords. They will bring to bear every pressure they can, both from the mainland and by their own acts while still in the administration. Some may even be expected actively to attempt to sabotage his administration.

Obviously, Dr. Wei is aware of these difficulties and is accepting office in that knowledge. The National Government has announced economic and political reforms for Taiwan and has named a capable man to head the new administration of the island, which henceforth will be known as Taiwan Province. If Nanking wishes the new administration to succeed, it should faithfully observe its public promises of reform and should give the new governor the necessary power over the old bureaucrats and the military to see to it that the reforms are put through speedily and completely. If this is done the Taiwanese will have achieved the new deal for which they asked and should give their utmost cooperation to Dr. Wei and his new administration.

Truth In The Headlines

Reds Hiding in Peiping To Be Persecuted.—*China Press headline to AFP story on "special measures" taken by the Peiping Garrison Headquarters against Communists in the suburbs.*

Gov't Reorganization ---

IN the long process which goes into the creation of a truly constitutional system of government, whether in China or elsewhere, it is the task of the historian, years later, and not the contemporary, to say exactly where along the line of democratic development authoritarian rule ended and when constitutional rule began. Nor is the mere signing of a constitution or the holding of the first election the determining factor. Somewhere along the line lies the spirit of the existing government in meeting the demands of the people.

In that sense, we believe that the recent changes do prove one thing: That the government, recognizing the popular clamor for reform

and for an end to the period of political tutelage, has seen it necessary to give a greater voice in the government to non-Kuomintang politicians. That is a statistical fact. But whether, from the standpoint of political realities, the third-party "icing" on the governmental structure will change the taste of the administrative cake remains to be seen.

One factor which emerges from the changes already announced is that the basic backbone of the regime remains—solidly—Kuomintang. True, ministries have been offered to Young China and Democratic Socialist members. But not a single one of the ministries gives the holder what, by any stretch of the imagination, could be termed a "key post". This means that, unlike in a true coalition regime where a walkout by a minority party's representative brings the collapse of the government, the coalition in China is one in name only, since the withdrawal from it of the third-party men could not lead to the resignation of the members representing the majority group.

These are obvious limitations of the reorganized government. They must be pointed out by every liberal to the nation, so that it is readily apparent how far along the road to constitutionalism the reorganization takes China, and how much more ground has to be covered before the end is in sight. However, criticism of the limited scope of the reorganization is qualitative. For it must be recognized that the change —such as it is—is in the right direction.

However, the reorganization can only serve a useful purpose so long as the Chinese people realize that there is still a long, grim road ahead of them. The reorganization proves—as perhaps few other recent changes—how difficult it will be to reconcile all previous promises with present reforms. The Kuomintang has undoubtedly given up certain of its prerogatives. But the question still remains whether it has given up enough already, or whether still further sacrifices will have to be made by the Kuomintang if it is to retain popular support.

This, no doubt, depends on three factors:—

1) The degree of support which the people give to the new government.
2) The extent to which members of the third-parties will show their cooperation to the new regime.
3) The strength of the liberal faction in the Kuomintang itself and the influence it can wield in shaping the party's policy.

Sometimes, as history has shown, the inclusion of one opposition member in a government may produce unexpected results. (The inclusion of Wallace in the Truman government is a case in point). Sometimes even the inclusion of a sizable proportion of opposing elements in a government can bring about no change if these elements are satisfied merely to hold offices, while refusing to openly differ with the controlling group.

The reorganized, partly-coalition government is, after all, an innovation for China. And the success of no system may be judged solely on the merits of its theoretic organization. The nation realizes this. For that reason all eyes will be on the "new" elements added to the structure of state. It is on their actions, and how these fit into the general administrative picture, that the final judgment will depend.

Communist Savagery

THE past week saw additional atrocity stories appearing in the local press which claimed that the Chinese Communists had resumed their "policy" of killing Catholic priests whenever any fell into their hands. While most of these reports cannot be substantiated, they continue to come with such frequency that one is inclined to believe that they may have some basis of truth, especially in view of the periodic official announcements by the Catholic Church of the death of this priest or that priest at the hands of the Reds.

In a few cases which happened some time ago and of which we have rather complete knowledge, church properties, both Catholic and Protestant, were destroyed and church officials molested. The Communists excused their actions by claiming that the missionaries had collaborated with the Japanese. While it is true that during the long Sino-Japanese War and even after Pearl Harbor, there were cases of missionary collaboration, especially among Spanish Catholic fathers, there is absolutely no reason to believe that all missionaries per se were collaborators. Certainly the percentage of non-Christian collaborators was much higher than the percentage of collaborators among those professing Christianity.

Another excuse often given by the Communists is that they didn't do it; that destruction and killings were done by the local population before the Communists arrived and restored order. This explanation may be true in some instances, but we doubt if it occurred more than once or twice. It has been our observation, especially in the rural areas, that the missionaries are well thought of by the local population.

This increasing hostility toward the church and church property can only result in increased difficulties for the Communists. During the war the Communists made many friends among the foreign missionaries, even among the Catholics. Destruction of church property and mistreatment of Christians, both Chinese and foreign, will cause what friends the Communists have in the various church organizations to fall in line with the semi-official Catholic and Protestant line of "down with the anti-Christ Communists." The Chinese Communists today cannot stand additional bad publicity abroad. Such publicity is even more helpful to KMT right-wingers than a government reorganization.

Corruption And Opposition

THE question of opposition to the present Government which has been evident throughout the country recently, especially in Formosa, has a potent basis which has been rather well phrased by Professor Yang Jen-pin of the National Peiping University, in a recent issue of the *Kwan Cha Weekly*.

"Time was when the Kuomintang yelled 'Down with the corrupt officials.' But today, of-

ficial corruption is the order of the day in Chinese politics, and it has come to be taken for granted.

"It is because of official corruption that conscription has caused a great deal of complaint and bitterness.

"It is because of corruption that we have experienced an acute man-made shortage of materials.

"It is because of corruption that communications have been in a state of paralysis.

"It is because of corruption that opium has not been exterminated.

"It is because of corruption that education has been reduced to backwardness.

"It is because of corruption that tax collection has been in such a mess.

"It is because of corruption that bureaucratic capital has come into existence and sharp fluctuations of gold prices have been possible.

"In short, corruption has made everything hopeless and helpless. All political programs and plans are idle talk as long as corruption lasts. Who should be held responsible for such corruption in Chinese politics, anyhow?"

It should be stressed that such criticism of official corruption does not come only from a disgruntled professor, such as the author of the above lines. Time was when Generalissimo Chiang Kai-shek himself is reported to have uttered the following words:

"The people regard our Kuomintang offices as yamen, our party functionaries as bureaucrats, our party members as belonging to a privileged class. What is a yamen? It is the sink for all corruption, meanness and good-for-nothingness. What is a bureaucrat? A bureaucrat is a general term for corruption, laziness, face-saving, hypocrisy and all that sort of thing. What is a privileged class? It is a class of people who lead a loose, parasitic, unproductive life at the expense of the people."

The fact that this statement came from the Generalissimo as far back as 1939 does not detract at all from the insight and acumen of the analysis of official corruption. Generalissimo Chiang's definition undoubtedly holds just as good today, almost eight years after it was spoken.

Both the Generalissimo and the Professor—the statesman and the scholar—are correct in their analysis of the corruption situation. We, however, would differ with Professor Yang Jenping, on only one point.

He asserts that "it is because of corruption that bureaucratic capital has come into existence ...." There he is decidedly in error, or it may be that he has not perused carefully enough the Generalissimo's treatise entitled "Chinese Economic Theory," which specifically provides for the establishment of government monopolies to control the capitalists who would otherwise manipulate the livelihood of the common people. It is possible to concede, however, that corruption is what has led the people to dub these monopolies "bureaucratic capital," which name has by now become a synonym for corruption.

The only way to do away with corruption is undoubtedly so to broaden the government's basis that representatives of *all* strata of the Chinese people will be included. Only then will a system of checks and balances arise that will finally bring about the eradication of corruption. For as long as the government can be counter-posed to a large part of the people, the men in the administration will be tempted to act against the interests of that portion of the population.

In other words, only when the government becomes really representative of the people, will corruption be done away with. And only when the administration becomes a government of the people, will there cease to be an opposition to it, for as Mark Twain is reported to have said: "It is rather difficult to oppose oneself."

25 Years Ago In Millard's Review Of The Far East

Annual Spring War?

April 29, 1922.

After a flourish of arms and a movement of troops sufficient to convince the uninitiated that China's annual spring war was about to begin, the situation in the North seems to have become much easier and much more quiet. No advances calculated to bring to an armed head the differences of Wu Pei-fu and Chang Tso-lin have been made and outside of the actual transportation of divisions from one locality to another, the only act resembling warfare has been that of the troops of Wu Pei-fu in interrupting the traffic of the Tientsin-Pukow Railway by destroying approximately eight li of the right of way. Just what has happened to keep the two armies from coming together is a matter of conjecture, but the main trouble would seem to have been an over-estimation of his position on the part of Chang Tso-lin.

* * *

Self-Support

According to a decision handed down by the Attorney General of the United States on February 22, 1922, Chinese students in America may perform manual labor necessary to their support as students without becoming subject to the U.S. deportation laws. This decision is of considerable importance in view of efforts which have been made for several years looking to the entry into the United States of students on a "self-supporting" basis. In practical terms it now is possible for a student to enter the United States although he does not possess sufficient funds to pay his entire way through college, for he may now earn at least part of his expenses while studying there.

10 Years Ago In The China Weekly Review

Extraterritoriality

April 24, 1927.

Miss Cammie Gray of the Christian Girls' School in Nanking, in a recent radio speech explaining her reasons for becoming a Chinese citizen, said the principal one was to renounce the principle of extraterritoriality and to reject for herself all application of it. She said that through 21 years of close association with Chinese life, it had become entirely natural for her to think and feel and eat and live as a Chinese in all her daily relations and to feel entirely natural and "at home" in doing so by preference....Born in a midwestern state, Miss Gray came from ancestors who have been citizens of America for generations.

* * *

Formosa Labor

Owing to the intact business organization in Formosa, Chinese overseas there have no chance to compete with the Japanese in any commercial or industrial enterprises, according to Y. M. Kwo, Chinese Consul-General in Formosa, who arrived in Shanghai April 13....Practically all of the 50,000 Chinese residents in Formosa, Mr. Kwo revealed, belong to the laboring class, taking up odd jobs as miners, tailors, cobblers and carpenters....Most of the Chinese in Formosa come from Fukien.

Trillion Dollar Project To Repay 5,000,000 Yellow River Victims

By DICK WILSON

(Special to The China Weekly Review)

Kaifeng, Honan.

IN June of 1938, Japanese troops were marching toward Free China across the birthplace of the Chinese people.

Where the Yellow River had fertilized the original land of the People of Han and made it the nation's granary, the little sons of Nippon were pressing backward the ill-equipped, out-gunned Chinese forces.

Hundreds of thousands of well-armed Chinese soldiers might have divided the enemy's forces and stemmed the advance. But Chinese resourcefulness, plus a few sticks of dynamite, did the work of those unavailable hundreds of thousands.

The dynamite blasted a mile-long breach in the Yellow River dyke at Huayuankuo, near Kaifeng. Pouring through the gap, the waters of the unruly river found a new course, sweeping southward through Honan, Anhwei and Kiangsu.

The river, dubbed "China's Sorrow" centuries ago by farmers, washed off their lands in recurrent floods, became a real sorrow to Jap strategists and stymied their armies.

Huge Reclamation Project

The Yellow River stopped the Nips, but it lived up to its reputation in succeeding years, flooding 2,500,000 acres of China's richest farmland and bringing new suffering to 5,000,000 Chinese farm people.

When the war ended, a gigantic project was launched to swing the Huang Ho back to its pre-1938 course so those vast areas — 14,000,000 mow in three provinces—could be reclaimed, and so those five million who sacrificed their livelihood to check the Japs could be rehabilitated.

Honan provincial authorities, the Yellow River Commission, the National Conservancy Commission, UNRRA experts headed by Oliver I. Todd, and CNRRA supplies joined in the mammoth task of sealing the 5,000-foot-long gap in the dyke at the bend of the Yellow River. After a year of struggle against a powerful river never before tamed by man, Chinese and foreign engineers, directing as many as 45,000 laborers, closed the gap last month and turned the Huang Ho back to its former bed.

Refugee Problem Acute

With the gap closed, the way was clear to reclaim the silt-covered land along the drying bed where the river had coursed for nine years. And with the gap closed the necessity for relief of the population became acute, for thousands of refugees began pouring into Honan to take back the lands from which the water had driven them.

Streaming into the province from the west, where they had worked as coolies or begged for a living while the Huang Ho menaced their farmlands, the refugees now find an arid desert where rich crops once fed millions of China's people.

Most of them destitute, without food, tools or seed, the refugees must bring a quick crop from a potential "dust bowl" where great sand dunes are marching across farms and villages.

Nine years' deposit of silt left by flood waters has raised the level of the land outside village walls as much as 15 feet. Mile after mile, desert-like wastes stretch to the horizon, dotted occasionally by protruding eaves of roofs or the still-standing chimneys of flood-wrecked homes.

2,000 Returning Daily

Shelter for the returning refugees is practically non-existent. Kaoliang and willow are scarce; even roots have been dug up and burned as fuel. In long-deserted villages again coming to life, families dig through many feet of sandy silt to salvage a few bricks with which to build crude, straw-thatched lean-tos.

Two thousand refugees a day are jamming the roads into Honan, most of them bringing only what they can carry on their backs. Two thousand farmer folk daily are returning to their lands, hoping to end nine years of poverty in exile.

They must be sheltered and fed until they can bring a crop from their devastated lands. Before they can plant a crop for food, or kaoliang for shelter material, they must have seed. Before they can put the precious seed into the ground, they must have tools and animals to help them turn the earth.

Relief of these people and reclamation of their once-fertile land poses the greatest rehabilitation problem China has ever tackled.

Trillion Dollar Program

UNRRA and CNRRA field workers are answering the crying need with emergency measures. Meanwhile, top-level planners are looking beyond the emergency transition period and are mapping the most ambitious work project in China's history since the building of the Great Wall—a trillion-dollar, three-year program to restore the land and the people to their pre-war productivity.

Emergency measures are staving off a disaster that could cripple the area's rehabilitation indefinitely. At the same time, CNRRA, UNRRA, provincial authorities and government ministries are drafting a long-range plan to make sure that the five million who suffered from the Huang Ho's floods after the river stopped the Japs will not continue to suffer.

Emergency measures include establishment of CNRRA mass feeding stations throughout the area; rapid distribution of seed and farm implements to returning settlers;

TRANSPORTATION MEAGER

Almost 2,000 refugees a day are returning to their Honan homes from a nine-year exile in the west, to set up new homesteads on the silt-covered lands. Trains which bring food into the devastated areas are invariably swamped with returning refugees whose sole possessions they carry on their backs. Places where the railroad cannot provide transportation are serviced by mule carts. Lower picture shows CNRRA flour being hauled across silt-covered roads to mass feeding stations where returning refugees will receive sustenance until their first crops are raised on new but long-neglected soil.

Photos by Dick Wilson.

plowing of silted land by tractor and animal; delivery of relief supplies to the hard-hit regions, and diversion of trucks to the zone.

36 Hsien Affected

CNRRA Director-General P.H. Ho ordered CNC$5,000,000,000 sent to Honan two days after he and more than 50 other officials of CNRRA, UNRRA, the UNRRA Council of the Committee for the Far East, government ministries and banks toured the flooded areas. The money is being used to buy seed, tools and other urgently-needed spplies. Another CNC$10,500,000 went to Anhwei and Kiangsu. More will be sent to the three provinces as soon as budgetary estimates of needs are drawn up.

Throughout the three stricken provinces, CNRRA and UNRRA are carrying on the relief and hehabilitation work they have been doing for the past year and a half—dyke and road repair projects, medical and welfare services, agricultural and industrial rehabilitation. The UNRRA-CNRRA program, due to close in less than six months, is the first phase in the gigantic rehabilitation plan to bring new life, production, commerce, transportation and health services to 36 flood-swept hsien in three central provinces.

When UNRRA and CNRRA have done all they can to rehabilitate China, within the limits of their budgets, the Chinese national government and provincial authorities will be expected to carry on the Yellow River reclamation program, aided by a legacy of valuable UNRRA equipment.

Bankers Back Plan

The Executive Yuan has reviewed detailed plans submitted by CNRRA and mapped by skilled UNRRA and CNRRA engineers, technicians and welfare workers. The government is prepared to spend CNC$140,000,000,000 for the first year's operation of the plan, and Chinese banking circles have indicated their support of this program to restore the natural wealth of central China.

The plan does not stop at emergency relief for the hungry. It calls for complete rejuvenation of the flooded areas.

The program, similar in many respects to the TVA in the United States, will involve agricultural rehabilitation; river dredging, dyke repair and irrigation; re-establishment of small industries and strengthening of the rural economy; reconstruction of communications, and establishment of public health and social welfare services in the flooded counties, more than 80 percent of which are in Honan.

Food—at least partial subsistence—will have to be supplied millions of farmers until they can reap their crops. Livestock, seed, farm implements, hand tools, well-digging equipment and housing materials must be secured and distributed. Large areas of land must be drained and cleared. Tractors must supplement man and animal power in reclaiming tracts of land that have laid fallow for nine years. Tremendous stocks of relief supplies must be transported to and through the area, and thousands of kilometers of roads must be repaired to enable hundreds of trucks to carry those supplies.

Problems Varied

"In addition to the task of procuring and distributing relief and rehabilitation supplies," said a CNRRA report, "special problems of determining land ownership, seeking a remission of taxes, and restoration of village industries, to mention only a few matters, will be necessary over wide areas where there has been complete abandonment of villages."

Reclamation of land previously flooded is not the only task of the relief workers. Future floods must be prevented, and the plan calls for the repairing of dykes protecting vulnerable lowlands, and dredging of rivers and canals where silt deposits have created flood-causing bottlenecks.

There are many technical obstacles confronting the men working for the rehabilitation of this once-rich area. But perhaps one of the most difficult problems that may interfere with successful completion of the ambitious, scheme is a political one.

LIFE RETURNS TO BARREN AREAS

Long unpopulated sections of the flood area, where vast desert-like wastes, as seen in the top picture, stretch for miles and miles, and where the wrecked hulks of houses occasionally protrude from 15 feet of silt left by the retreating waters, are becoming scenes of returning life. Below, the refugees can be seen erecting new straw villages which crop up here and there in formerly deserted sections of the once flooded zone.

Photos by Dick Wilson.

Diplomatic representatives of the United States, Canada and Australia discussed the problem at a Kaifeng conference last week, warning that most of the program will be carried out in Honan, a strife-torn province with possibly one million men of opposing Chinese forces under arms.

In their capacity as delegates to the UNRRA Council of the Committee for the Far East, the foreign diplomats who toured the flooded areas declared that military interference with the program could cause it to founder.

The trip the Yellow River reclamation survey party made through the flooded areas emphasized the reality of military interference in any relief project in a warring zone. Eighteen hours before the party arrived in Fukow, county seat near Kaifeng, a Communist raiding force left the town, taking with it 362 bags of flour for CNRRA feeding stations, 82 oxen sent to help farmers plow their silted land, and more than CNC$2,000,000 in cash subsidies for destitute refugees.

In an address to CNRRA field workers who had lost their personal belongings, as well as their relief supplies, in the two-day Communist occupation of Fukow, the CNRRA director urged them to "carry on as usual." Standing in front of fresh bullet holes in the working team's headquarters wall, Ho emphasized that UNRRA-CNRRA aims must be fulfilled, particularly the non-political discrimination principle.

"As the vanguard of the relief organization," said the CNRRA official, "you are the representatives of the spirit of international humanity. Only by your continued efforts can the international spirit be spread."

That international spirit has done much for China, and the nation is relying on international cooperation to help her through the difficult days still ahead, said Ho. Joint international effort succeeded in closing the gap in the Yellow River dyke. As the second phase of the program rehabilitation of the areas flooded by the river—is considerably more difficult than the gap-closure, even closer international collaboration in the reclamation project will be required to bring it to a successful conclusion at the fall harvest of 1949.

MacArthur's Incredibly Optimistic Reports Gild Truth About Japan

By ROBERT P. MARTIN

THE United States has reached the crossroads of history in Japan. In one direction lies a magnificent opportunity to bring social, political and economic democracy to a subjugated people who have never known or understood the meaning of liberty. In the other direction lies possible failure, a denial of those ideals for which Americans, knowingly or unknowingly, fought the second World War.

If General MacArthur's suggestion for an early peace treaty, withdrawal of occupation forces and substitution of United Nations control is accepted Japan's feudalistic structure will probably remain intact to an overwhelming extent.

U.S. Blinded To Facts

Japan's future then would apparently be charted along one of two courses: first, she would become America's military ally in the Pacific, in which case we would underwrite her resurgence to power. Second, if an ally proved unnecessary our withdrawal would still have sentenced an unhappy people to a bondage as restrictive as under their militarists.

This correspondent believes that the American people have been blinded to the facts of the occupation by General MacArthur's incredibly optimistic monthly reports which monotonously recite phenomenal progress towards democracy. It is true that Japan today has the physical appearance of a state approaching democracy. The structure is brilliantly gilded and the flags of the four freedoms flutter bravely.

But hidden by the murky shadows within this new temple are evil powers which know that gild chips easily, that flags become frayed. All they want and need is time and relief from continual pressure.

MacArthur has broken the power of Japan's militarists and successfully demobilized her armed forces. But three other groups which joined with the militarists in their gamble for empire still have considerable if not full power within the occupation's framework. They are the industrial and financial monopolists, the "old guard" politicians and the bureaucrats.

Purge Bogging Down

Few Americans realize that the machinery for breaking up the Zaibatsu empires is now just beginning to function and that tearing down the involved structure is a process that will take years. It must be closely supervised if evasions are to be prevented. From its record to date, it would seem naive indeed to expect the Japanese government, except under extreme pressure, to destroy that section of society with which it is ideologically and financially aligned.

The economic purge is already bogging down and probably not more than 5,000 individuals—the upper crust—will be affected. Even purgees will retain great measures of hidden control through the paternalistic relationship established over a period of years with those men who replace them in individual enterprises.

Japan has a fairly democratic constitution but it is one that SCAP had to rewrite and force the government to adopt against its will. The education purges and reforms have been slowed to a snail's pace by the almost frenzied resistance of those Japanese who are supposed to do the job. Japan's labor unions have been temporarily emasculated by the combined action of MacArthur and the Japanese government. It would be too much to expect future conservative governments to do other than strangle the trade union movement.

Japan's massive bureaucracy still worships its idol: the all-powerful state served by the people. There is no understanding of the democratic concept of a state and its officials serving the people.

Probably we placed too much trust in the day-to-day functioning of democracy in Japan. The people have only the haziest conception of what democracy means and how it operates. They elected the Liberal and Progressive parties to power because these conservative parties controlled local machines and because the Japanese are traditionally loyal to the men they know.

Yoshida "Our Kind?"

SCAP also supported the Yoshida government because these leaders were "our kind" of people and constituted a bulwark against the Communists. To SCAP's distress, however, Japan inexorably began turning leftward in blind protest against a government which had no interest in the people's welfare.

Americans in Tokyo are dubious that any United Nations organization would have the prestige, power or ability to enforce reforms which must be carried out in the next decade. They fear that the Japanese would play off Russia against the Anglo-Saxon members of such a commission to the harm of all concerned except Japan's ruling groups. Because Japan's leaders are opportunists it is not beyond possibility that they would sell out to Russia at some future date if it were to their advantage, despite their protestations of pro-Americanism.

More important, many Americans in Tokyo believe that MacArthur's peace program would be fatal to occupation ideals. They point out that many reforms in Japan have been attained only by threat of imposing a "hard" peace or no peace treaty at all. If a peace treaty is signed and Japan has full freedom to trade at a time when there is no "bayonet threat" hanging over the country, it will be virtually impossible to enforce continued reform.

Cancers Still Growing

In effect, these Americans ask how can one possibly democratize in 18 months a people who have never known democracy, especially when we have not removed but only lanced many malignant growths. These cancers are now covered with scar tissue which hides but does not prevent their growth.

Japan's leaders now seem firmly convinced that the U.S. intends to pull out from Japan. They are certain we will give them economic aid and scale reparations to the absolute minimum. If they can hang on for a year longer they believe that the future will be bright because the "old order" will not have been destroyed.

Many theories have been advanced as to why MacArthur made his peace proposals at this time. The most plausible is that the five-star general has finally recognized that Japan's economy is in a serious, almost chaotic, condition. A continued long-term American occupation would create more serious economic problems, or at least require a fundamental revision of MacArthur's concept of economic control. If the occupation were to end within a year or 18 months, however, then the Japanese themselves would be responsible for any debacle that occurred thereafter and MacArthur's record would be clear, historically at least.

Confusions, Contradictions

The confusions and contradictions of MacArthur's economic policies in contrast to his political policies date back to the early days of victory when the occupation tinkled as sweetly as a tiny brook in springtime. At that time someone sold MacArthur an idea that SCAP was not responsible for Japan's economy other than to provide food imports to prevent unrest or riots which would embarrass U.S. forces.

That was an attractive theory because it made Japan responsible for her own recovery. But in practice it didn't work to perfection. There was the question of reparations and the problem of securing imports of raw materials. The occupation forces needed critical materials for housing which the Japanese likewise needed in industry. Labor became fretful when wages bogged down in the dust stirred up by skyrocketing prices.

What MacArthur refused to recognize but was evident everywhere was that the Yoshida government and its business allies were deliberately furthering inflation and working for an economic crisis in an effort to force the U.S. to do two things:

1. Extend loans and permit increased imports to keep Japan as a going concern.

2. Support Japan's plea to keep reparations at a low level and to permit U.S. industry to

finance Japan's own industrial rehabilitation.

Fundamentally Japan faces ruin because the Yoshida government would not or could not enforce sensible economic policies. The government failed utterly to allocate critical raw materials, combat the black market, control prices and smash profiteers. The tax system was unrealistic and unproductive because it did not touch speculative profits.

Inflation Worsening

Inflation is not as severe as it is in China. But during December 18,000,000,000 yen of new currency was issued and the increase has been steady during the past three months. Japan's note issue is seven times as large now as in March, 1946.

A small group of bright young economists in SCAP came forward with the not-so-revolutionary idea that the U.S. has a certain responsibility to keep Japan as a going concern. They wanted to put flesh and muscle on the nation's emaciated economic frame and simultaneously save American taxpayers millions of dollars. They also believed that this was the best way to make democracy palatable in Japan.

Wiser than they realized, these Americans asked in effect: "How can we expect to impress democratic ideals on a people who are hungry and lack even rudimentary security?" Their opponents replied in effect: "Even if we were responsible for Japan's economy, the American people would not countenance establishment of any type of wholly regimented or socialistic structure in Japan."

SCAP apparently intended to follow the American ideal of separation of government and economics—the less control or interference the better. But in a defeated "have-not" nation the two are inseparable. The U.S. hoped to halt any trend toward communism and socialism in Japan by fostering freedom of enterprise in industry and business. To its consternation, SCAP discovered that this freedom was bringing chaos—the condition where communism thrives. Increasingly the laboring and white collar classes looked leftward for aid.

2 Alternatives Negative

At this point MacArthur stepped in with his famed letter to Premier Yoshida at the end of March. The letter seemed to be a clear, forceful statement of the issue: unless there was economic reform in Japan, Allied assistance including food imports would be curtailed. Actually, the threat seems superficial because it left only two negative alternatives. If imports are cut off and industrial stagnation continues Japan will be a breeding place for revolution. The U.S. will then be forced to crush revolt and support Japan itself, or withdraw and admit the occupation has failed.

If MacArthur had flatly told Yoshida that either he institute reform or SCAP would do it for him, the letter might have made more sense.

The letter had one faint ray of hope. "Unless determined measures are undertaken . . . the achievement of social and political objectives toward which the Japanese people have made such an encouraging start will be endangered," MacArthur stated.

This linking of political and social objectives with economic conditions is a new point of departure for SCAP. It commits MacArthur and the United States to responsibility for Japan's economy unless we intend to negate our occupation objectives. MacArthur's letter said the country's economy was still the Japanese government's responsibility. But if we accept responsibility for social and political reform, obviously we must accept responsibility for Japan's economy because the three problems are inextricably entwined.

Peiping, Home Of 3 Universities, Long China's Cultural Center

By LIANG CHO-SHENG

Peiping, April 10.

WHILE Peiping has been regarded for several centuries as the capital of the ancient dynasties, the inauguration of the Republic has not detracted much from the city's political importance. Moreover, the fact that China's famous universities—the National Peking, the National Tsing Hua and the Yenching—are located in Peiping, adds much to its attraction as the cultural center of China.

The center of Peiping is occupied by three of the most beautiful lakes, generally called the North Sea, the Middle Sea and the South Sea, and these offer considerable opportunity for rest and recreation. The National Peiping Library is situated on the banks of the North Sea and offers a large collection of books, both ancient and modern, and a selection of periodicals. The library is skirted by a large number of bookstores, schools and holy shrines, all of which give the place an air of quiet, dignity and timelessness.

Peita Returns

Shortly after the cessation of hostilities, the National Peking University, better known as the Peita, returned from wartime exile in Kunming, where it was a constituent part of the so-called Lienta, the National Southwest Associated Universities. Peita boasts more than 3,000 students and its main campus is located near the Tse Jin Chung, the Royal City. There the colleges of art, of law and of science stand, while the other colleges such as those of medicine and agriculture are located in other, remote, parts of the city.

In general, the students of Peita are not well off, if compared with prewar standards, because most of them come from areas liberated from the Japanese and their parents have little means to support them. Receiving only a small monthly meal allowance from the Government they almost never frequent either the cinema or the theater and perforce spend all their time in the University Library. This does not discourage them, however, and they study diligently, though life is hard.

Peita students continue to maintain their tradition of liberal thought and study and the so-called "democratic wall," bears evidence of this. Periodicals and wall papers are plastered over this wall, expressing the students' own opinions of current political problems and university administration. Slogans such as "Fight For The Freedom of Speech," "Halt The Civil War" and "Build A New Democratic China" are chalked profusely.

The students are satisfied with this form of expression and the content of the numerous articles answers their thirst for self-expression.

"Flowers Of Truth"

Often, demands for improvements in the university first appear on these walls. Recently, a movement was started by the students for an improvement of the college library, for a fuller coverage of current periodicals and newspapers, such as the *Wen Wei Pao* in Shanghai, for which there is a great demand. The students' petition for liberal papers of this kind was refused by the Library Director, who told them that funds were low. The library, while full of prewar periodicals and newspapers, has very few leading publications of today and the alumni continue to clamor for more

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and better books. There is no doubt that they will achieve their aim in the end.

The Peita professors treat their students with great affection. "If there is a man in this world I should respect," one student said in earnest, "it is my professor." Under the leadership of Dr. Hu Shih, Peita has attracted many well-known professors. These scholars like Peita, and are eager to teach the truth to the young students, who are sincere and "hungry for the flowers of truth."

It is safe to say that Peita is one of the best places of study for Chinese young people today.

Repairs at Tsing Hua

Driving out of the city proper for almost 20 minutes one comes across a cluster of modern buildings with red and green roofing. This is the famous National Tsing Hua University, which was occupied by the Japanese throughout the war. The result of the occupation is the need for extensive repairs of the premises, more books and laboratory equipment, of which there is a great shortage.

Life at Tsing Hua is almost the same as at Peita, for most of the students were classmates in Kunming during the war, while attending the Lienta.

Dr. May, the president of the university, is an able and hardworking scholar and he is faced with great difficulties, but I have no doubt, after what I have seen, that both the faculty and the alumni will successfully tide over stringent times.

Yenching University

Not far removed from Tsing Hua is the renowned Yenching University, whose buildings are visible from the former's campus. The university is surrounded by a large wall and within scenic spots gird the famous Yenching Lake. There the Yenching students rest, either walking arm in arm through shaded bowers, sitting under blooming peach trees or rowing on the placid lake.

It appears to me that they live a quiet life, knowing little of the civil war with the exception of what the monotonous newspaper reports bring.

A large majority of the Yenching students are poor and have to work hard to support themselves. They receive a liberal education rather than conservative tutoring because Yenching is a Christian institution. In recent movements for democracy in China, Yenching students were most active, and cooperated with the Peita and the Tsing Hua alumni.

The treasures of Peiping, its famous universities and excellent surroundings for study and rest, will prevent the city from "withering away." For Peiping has looked down upon Yuan Shih-kai dreaming of a vast Chinese Empire, upon the students struggling for a better China, upon the defeat of the cruel Japanese—upon all and more Peiping has gazed with tranquil mien—and it will continue to do so.

Tientsin Building $20-Billion Moat Round City As Defense Measure

By S. E. SHIFRIN

(Special Correspondent, The China Weekly Review)

(EDITOR'S NOTE:—Press reports from Tientsin state that construction of the 45 kilometer moat around the city will be completed within this month. Below is a delayed report of an interview given by Tientsin Mayor Lieutenant-General Tu Chien-shih to the Review's Tientsin correspondent when the construction work had just been begun.)

Tientsin, April 5 (Delayed).

IN an exclusive interview on March 24 the Mayor of Tientsin, Lieutenant-General Tu Chien-shih, declared that "In order to safeguard itself in the battles now taking place in China, Tientsin is forced to prepare to face any eventuality."

Answering a question on the significance of the fall of Yenan, he said, "The fall of Yenan is a severe blow to Communist morale. With the loss of that nerve center the Communist High Command will now be unable entirely to control its scattered forces. In Central Hopei, where most of the Communist troops are recruited from former 'tufei,' this loss of confidence in the High Command will result in troop movements without order or authorization. It may be that they will attack Tientsin suddenly and therefore all necessary precautionary measures must be taken.

No Immediate Danger

"I hope not," Mayor Tu, who during the war attended the Command and General Staff School at Fort Leavenworth, Kansas, said in English. This was in answer to a question as to whether Tientsin was in any immediate danger, but he added that "it is very hard to say." Continuing the interview in Chinese, interpreted by his secretary, Mr. Wang Po-ling, he stated that "The fortifications are not a 100 percent safeguard but will be of great help. The building of these defense works is not connected with the impending withdrawal of the U.S. Marine Corps from Tientsin."

As to the change in curfew hours now starting from 11 p.m. instead of midnight, it had no special significance and was just in the nature of a precautionary measure (Editor's Note:—With the introduction of summer time, curfew in Tientsin now starts at midnight again, by summer time).

Continuing to comment on the moat to be dug around the perimeter of Tientsin, which unlike Peiping has no city wall, and the breastworks to be constructed from the excavated earth, Mayor Tu said these fortifications were being erected not on orders from Nanking but by the local authorities at the request of the people, to safeguard the city. The purpose of the moat and the earthworks is, according to Mayor Tu, twofold. Firstly, they are to serve as a defense, and, secondly, to prevent small groups of Communist troops, which can be found around Tientsin, from infiltrating into the city.

They are also intended to prevent "the possibility of floods during summer, which nearly every year threaten Tientsin. Work on the project has already been started, and can be expected to be completed soon."

22 To 33 Feet Across

Mayor Tu said that the moat, which is to be filled with water later, is to be from 22 to 33 feet wide and from eight to 10 feet deep, depending on the nature of the terrain. This also applies to the earthworks, which on the average are to be more than five feet high. "At this stage," Mayor Tu declared, "it is not possible to give even an approximate estimate of the funds which will be required for the construction work. The more money, the more work." Chinese papers here had previously declared that the erection of the fortifications will require CNC$20,000,000,000. Clarifying the statement attributed to him by the local press that the population of Tientsin would not have to provide the money, Mayor Tu declared that in order to complete the fortifications, which is a rush project, the authorities have decided to avoid trying to collect the necessary funds from the people as it would take too long.

Funds needed for the construction work, as explained by Mayor Tu Chien-shih, will be borrowed from Government banks, big factories "which can give part of their profits," private commercial banks "which made big profits," and members of the Tientsin Chamber of Commerce.

Money Or Manpower

Repayment of the borrowed funds will be of a long-term nature since part of the funds must come from tax receipts and the authorities do not want "the people to feel the heavy burden of expense." However, the money for the work will still come from everyone in Tientsin.

Said Tientsin Mayor Lieutenant-General Tu, "Those who have money will contribute money. Those who have no money will supply manpower," but the Mayor added that such workers would get paid for their labor "for otherwise they cannot live."

The China Merchants Steam Navigation Company's Hai Tien returned to Shanghai last week from its first India run. Another vessel, the Hai Shun, will service this route for the present.

Government-Owned China Textile Industries Inc. Under Fire

By BEN Y. LEE

THE China Textile Industries Incorporated, a Government-enterprise, has been a target of public attack during the past few months. The press, especially the Communistically-inclined dailies, the cotton mill owners, many high government officials, opportunists and the like are strongly opposed to the existence of the corporation. Literally speaking, it is in the dock without a defense counsel.

Without a fair trial, open verdict is given that this textile corporation should be dissolved immediately and that the Government should transfer the various mills to private ownership. This state-operated enterprise is being put to the ordeal of fire and water and is charged with disturbing economic peace. This disheartening news strikes fear into the hearts of the majority of people, and many public-minded citizens openly discuss the future of this concern with intense curiosity. "Why should the Government operate these cotton mills, an action unprecedented in Chinese history?" they ask.

While the drums are beating we should take the opportunity of calmly scrutinizing the situation with absolute impartiality, and decide on the advantages and disadvantages of this state-operated enterprise.

Foreign Criticism

Most foreign newspaper correspondents and foreign businessmen express adverse criticism on the issue, whereas many Chinese economists adhere to the view that one important way to rejuvenate China's staple industries is to have the Government lead, on a temporary basis, and after a few years when economic conditions are stabilized, to return to free enterprise. At present increased production of cotton textiles to satisfy the pent-up demand, is of paramount importance. The need for cotton goods should be satisfactorily met at comparatively reasonable levels. Government officials assert that this is being done by the Government.

Arguments against the state-operated enterprises are:

(1) The state has no right to operate a staple industry if by so doing it competes with privately owned mills whose financial ability is limited and whose scale of operation is small.

(2) The huge profit reaped by the China Textile Industries Incorporated is unjust; the money belongs to the people and should be returned to them. The company's products should be sold at the lowest possible prices so that everyone can receive his share of the profit.

Most people maintain that it is extremely difficult to find honest administrators and executives capable of running such large plants efficiently. It is also difficult to eradicate corruption, since fraudulent practices in accounting and checking may be employed despite strict vigilance. Some businessmen point out that reports and regulations of state-operated enterprises often boast literary excellence but have little practical value. Furthermore, there is always the danger of nepotism, that is, of the leading men employing good friends and relatives. The company's employees are said to be over-paid.

Advantages Stated

Advocates of a state-owned textile enterprise enumerate the following advantages:

(1) Because of its large output, which gives the state-owned enterprise control of the market, yarn and cloth can be sold at a price lower than that prevailing on the market. The present method of setting prices adopted by this corporation aims at curbing the market by selling at a somewhat lower figure. For the past 15 months the market trend has followed the daily quotations of this concern.

(2) The purchasing and financing of large shipments of foreign and domestic cotton can be carried out without much difficulty. For instance, foreign cotton, including shipments not yet delivered, purchased by this company in 1946, totaled 2,354,125 piculs of 133 pounds, amounting to US$26,000,000, £309,000 and Rupees 1,500,000.

(3) Government-run mills are able to borrow money from banks at a much lower rate of interest than private industrialists can ever hope to obtain.

(4) Concentration of purchasing raw material, machinery, accessories, etc., and of selling manufactured products.

(5) Labor troubles are reduced to a minimum, on account of a uniform wage scale in all Government-run plants.

(6) Government-run plants produce various kinds of yarn and cloth to meet the market demand, and thereby curb violent price fluctuations. The following products are manufactured: cotton yarn and thread, cotton cloth of various kinds, woolen textiles, jute-manufactured goods, silk goods, knitting goods, etc.

(7) On account of its large output and ample financial resources, the state-owned enterprise is able to meet competition in the world market. Having achieved success in supplying the domestic market, the China Textile Industries has begun to export its products. Recently, 2,000 bales of yarn valued at £2,000,000 sterling were exported to Hongkong. The opportunity to organize the textile industry and capture the lion's share of the export trade in the South Seas is not overlooked.

The question of when and how the CTI can be dissolved involves many difficulties, which will take time and genius to work out in order to arrive at a satisfactory solution.

According to an estimate made last year by the Alien Property Administration, the various mills of CTI in Shanghai, Tientsin and Tsingtao were valued at CNC$3,000,000,000,000. Since then, the value of CNC has depreciated considerably, and the company's affiliated mills in Manchuria are not included. However, owing to its magnitude, the entire property of the company is now under accurate assessment by the authorities, and will be surrendered to private industrialists in the form of shares.

A very important question arises as to what percentage of the total shares should go to the public, and how it is to be distributed. Some economists suggest that government banks and high government officials should not be allotted too much, otherwise one bureaucratic system will be substituted for another.

Share Distribution A Problem

Some suggest that the shares should be distributed all over the country, which will not meet with the approval of the general public, because the Government cannot coerce the people against their will. Besides the people in the interior provinces are not so well off as those in Shanghai, and are unable to subscribe to shares in large blocks. In any case, it will take considerable time before a large amount is taken up.

From private sources we learn that only a certain percentage of the total value in shares will be issued. In that case, the status of the company will be changed to a concern that is partly government-owned, with directors, or possibly the managing director to be elected by the shareholders. At present we do not know what role the Government will assume as a large shareholder. No one should register under an assumed name with the company, in order to avoid public suspicion.

Following approval by the Executive Yuan on April 8, CTI, one of the nine large Government-owned enterprises, will soon be sold to the public in an effort to increase China's public funds. Of the total number of shares, 70 percent will be sold, while the Government will retain 30 percent. It is reported that sale prices shall be valid for six months, after which time they may be readjusted. Only individuals and private enterprises will be permitted to subscribe.

Complicated Procedure

It is almost impossible for any Chinese private concern to finance the purchase of all the company's mills located in Shanghai, Tientsin, Tsingtao and Manchuria. The mills in Shanghai are the most desirable, while those in Manchuria are less so. If the company is for sale, the mills may be divided into groups, or each mill into a unit by itself. The time taken to dispose of all these mills

will be considerable, perhaps years, as the procedure is complicated. Some circles are apprehensive lest Sino-foreign concerns be permitted to buy these mills or large numbers of shares, which would enable them eventually to control the company.

An accurate assessment is another difficult task. There should be many appraisers consisting of textile experts and including foreigners. Their average assessment will be taken as the minimum price at which buyers may make their bids.

In making an assessment we should consider the present quotation of second hand textile machinery in America as a precedent. Recently we have received many offers at the unit price of from US$45 to US$50 per spindle, FOB, mill floor delivery, exclusive of packing and transportation.

If the cost of packing, boxing, freight, insurance, customs duty, coolie hire, etc., is included, the total cost per spindle arriving in Shanghai will be at least 20 percent more, exclusive of breakage. Including buildings, land, accessories, etc., we may say US$100 per spindle is an accurate estimate. Machinery ordered, or purchased secondhand abroad, however, will take from three to six months to arrive in China, while the mills of CTI, which are for sale, are now in operation, which offers a fairly good profit to the prospective buyer immediately.

Opportunistic Agitators

The final figure arrived at in the assessment will certainly be much lower than the actual value for various reasons. Agitators against the state-operated textile enterprise are not as patriotic as they seem. Primarily, they are opportunists who are trying by every possible means to purchase these mills for their own advantage. Methods and terms of payment are also to the purchasers' benefit. Hence the Government cannot be expected to dispose of these mills advantageously in a short time.

What is good for China is good for the individual citizen, but what is good for the individual citizen may not be good for China. Suppose private industrialists were financially able to purchase all those mills, why should they not use those funds to order more textile machinery from abroad and erect more cotton mills? At present, cotton textile prices are exorbitant compared with other commodities, the principal reason being the shortage of supplies in the interior. Proceeds of sales of these mills might be squandered by the Government in the civil war! By purchasing Government-owned mills, private industrialists simply take the huge profits from the state to fill their own pockets. Do the people benefit from the handing over?

Many Hindrances

When the various mills were taken over in 1945, the machinery was in great disorder and considerable effort was necessary to put it in good working condition. Due to disrupted transportation facilities, lack of materials, power and trained

CTI STATISTICS

The following table shows the location, number of spindles, number of mills and looms under the control and management of the The China Textile Industries Incorporated:

		no. of mills	no. of spindles	no. of looms.
A) Cotton Mills				
1.	Shanghai	17	888,004	18,053
2.	Tientsin	7	323,832	8,640
3.	Tsingtao	8	324,076	7,073
4.	Manchuria	6	264,028	4,300
	Total	38	1,799,940	33,066
B) Woollen Factories				
1.	Shanghai	9	26,436	242
2.	Tientsin	1	1,600	80
	Total	10	28,036	322
C) Dyeing and Finishing Plants				
1.	Shanghai independent	7		
2.	Tientsin „	1		
3.	Tsingtao „	1		
4.	Manchuria „ (attached to cotton mills)	3		
	Total	12		
D) Jute Mills				
1.	Shanghai	2	12,604	652
E) Silk Weaving Factories				
1.	Shanghai	1		
2.	Tientsin	1		
	Total	2	11,370	383
F) Knitting Factories				
1.	Shanghai	1		
2.	Tsingtao	1		
	Total	2	407 knit m/c.	420 sew. m/c.

1946 production of all factories and mills under control of CTI was as follows:

		cotton yarn	cotton cloth	woollen yarn	woollen goods	jute	linen
1.	Shanghai	253,650	216,470,000	1,948,600	1,225,880	3,098,870	1,024,457
2.	Tientsin	79,422	84,763,000				
3.	Tsingtao	84,520	73,990,000				
	Total:	417,592 (bales of 400 lb.)	375,223,000 (yards)	1,948,600 (lbs.)	1,225,880 (yards)	3,098,870 (lbs.)	1,024,457 (yarns)

Production of yarn and cloth and cotton consumption in 1946 in the whole of China are as follows:

		cotton yarn in bales	cloth in bolts of 40 yards	cotton consumption in piculs of 133 lbs.
1.	CTI mills excl. Manchuria	418,000	9,387,800	1,376,400
2.	Kiangsu, Chekiang & Anhwei provinces excl. CTI mills.	675,000	3,437,000	2,537,000
3.	Other provinces excl. CTI mills	234,000	2,400,000	616,000
	Total	1,327,000	15,224,800	4,529,400 (or 1,200,000 bales of 500 lbs.)

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workmen during the early part of 1946, the CTI mills operated on a limited scale. Towards the end of the year, however, these mills were operating at about 70 percent of capacity, and at present they are operating at about 90 percent, on day and night shifts. It is expected that the CTI mills will produce 1,000,000 bales of cotton yarn in 1947.

The diverse increase of cotton and cotton textile prices during the past 12 months is as follows:

	March 15, 1946	March 15, 1947	percentage increase
1. Double Horse Sp. brand cotton yarn, per bale	$1,050,000	$3,650,000	350%
2. Dragon Head brand grey sheeting 12 lb. per belt of 40 yards	55,500	155,000	300%
3. US 7/8 in. cotton, Shanghai market, per picul of 133 lbs.	87,000	610,000	600%
4. Domestic cotton, common type, per picul	80,000	450,000	550%

The above figures show that the price increase of cotton textiles during the period was only 50 percent compared with raw cotton. It is said that CTI has used great pressure in keeping the prices steady.

Inaugurated In 1945

The China Textile Industries Incorporated, a government sponsored enterprise was inaugurated on December 4, 1945 at Chungking, and started functioning at its headquarters in Shanghai in January, 1946. It operates all the former Japanese textile mills in China, and is under the direct control of its nine-member board of directors, with the Minister of Economic Affairs as its chairman.

The general manager and board of directors are empowered to transact the company's affairs in a way similar to that of a private enterprise. The operation of the concern is divided into four zones or districts, namely: Shanghai, Tientsin, Tsingtao and Manchuria with branches all over China.

In accordance with the rmal agreement, this concern was to operate these mills for two, or possibly three years, at the end of which period they would be transferred to private ownership. The Government's decision to create this corporation was made to enable it to tide over the transition period, to stabilize economic conditions, and to operate these mills as a temporary measure in order to relieve the shortage of cotton goods, but in no way to act in a manner detrimental to private interests.

Potential Threat

During the past 15 months of operation, uneasiness and apprehension in industrial circles have somewhat subsided as businessmen have become acquainted with the corporation's plans and the nature of its operations. At first they thought that other branches of industrial activity might also be drawn into the orbit of Government-owned enterprises.

Since it began operating the CTI has proved that it is in no way in competition with private interests, but, on the contrary, helps to stabilize the yarn and cloth markets, thereby creating economic order. During those hectic days of violent fluctuations of commodity prices, this state-owned corporation has prevented yarn and cloth prices from skyrocketing by dumping a large quantity of products on the market. Private industrialists are not gods, and certainly would not sell their goods at a price beneficial to the public.

Mainly due to the shortage of supplies, cotton textiles are sold at exorbitant prices, thus enabling the manufacturers to make a huge profit. Some people think that the Government should sell the products at cost, for the benefit of consumers. If this were to happen, it would seriously affect private industry. Suppose CTI were to sell its yarn at $2,000,000 per bale, while the outside market sold at $3,000,000 per bale, what a chaotic economic crisis there would be! Privately-owned mills would be bankrupt in no time.

Helping Finance War

The Communists claim that the revenue derived from CTI is being utilized to further the civil war, and this is true to some extent. If the Government decides to carry on the civil war, it can do so even without the revenue from this enterprise. Capital for war expenditure can be raised from other sources as well. Army uniforms must be made whether or not the Government owns a textile corporation. Formerly, a position in the army supplies bureau was considered to be one of the most lucrative in the Government, chiefly due to the exorbitant commission, or what is commonly called "squeeze", received on purchases. Now such uniforms are supplied by the Government's own mills, thus eliminating one of the most evil practices of Government officials.

The employees of this state-owned enterprise complain of being underpaid, while the public denounces them as being too well paid. From private sources we learn that, with the exception of low staff members and servants, the salaries of technicians, superintendents, mill managers and higher staff members are not more than 50 percent higher than those in privately-owned textile enterprises.

Production Costs Less

According to a report recently issued by the corporation, the cost of production of the various mills has been about 20 percent less than that of private mills. The rate of the corporation's production per spindle for 20's yarn, in both day and night shifts of 10 hours each, is on the average nearly one pound, thus meeting the prewar standard.

At present each shift is 10 hours, instead of 12 hours, as in the past. Formerly, the production of 10,000 pounds of yarn required the work of 14 staff members and 300 workmen. But at present, seven staff members and 250 workers can do the same amount of work.

Special attention has been given to the welfare of staff members and workmen. The corporation has 10 elementary schools for workers and staff members with a total of 3,000 students enrolled. There are two free hospitals and many free clinics in Shanghai for employees and their families. A technical training class of 150 high school graduates has been started, and after they have graduated these young men will be employed in the mills as textile technicians. If stock on hand is estimated according to the present market prices, the total net profit of the concern for the past year should be around CNC$1,500,000,000,000, at the official rate of exchange.

Due to its magnitude and complexity it is hard, in my opinion, to pass a sound judgment upon this state-owned textile enterprise, which is one of the largest industrial enterprises with which the Chinese have had any experience. Facts alone will prove the merits and demerits of the existence of the China Textile Industries Incorporated.

Sino-Soviet Cultural Relations

By VICTOR GRAN

IT is only natural that being neighbors, the Russians and Chinese are profoundly interested in each other's culture—literature and art, science and economics, customs and popular beliefs.

In Czarist times, when the popular masses had very limited access to the riches of culture, Chinese literature and art were known only to a few scholars particularly interested in things oriental. Before the Russian Revolution the words "China" or "Chinese" were associated with something remote, exotic, incomprehensible. It was known in Russia, at that time, that Chinese women wore trousers, while men wore queues—just the reverse of the custom in Europe. Therefore, popular opinion in Russia was that in China everything was turned upside down, especially as the Chinese read from right to left and write their characters downwards—not horizontally, as do the Russians and other Europeans.

True, the Russian Orthodox Mission in China, established by Peter the Great, was engaged in the study of the Chinese language, philosophy, medical science, history and general culture. In St. Petersburg and Moscow there were quite a few scholars possessed of a profound knowledge of China. Moreover, in Petrograd there was the famous Oriental Institute, and in universities, at the schools of Oriental languages, Russians students used to obtain a very fair knowledge of the Chinese language, also Mongolian and Manchu. Yet, all this knowledge of things Chinese was limited, as already mentioned, to a rather narrow circle of people—scholars, students, clergymen intending to work in the Far East and officials of the Russian diplomatic service in China, Japan and Siam.

"New China" Discovered

After the October Revolution the situation changed completely. General culture—books, libraries, theaters, universities, museums and lecture halls were opened to the masses, to millions of Russians, Ukrainians, Usbeks, Tartars, Kazakhs, Bashkirs, Caucasians, etc., etc. Books on China, reprinted by the hundreds of thousands, found their way to hundreds of public libraries established in towns and villages. Newspapers, now read by millions, gave information about the Far East—China, Japan, Siam and Malaya.

The Soviet Russian masses soon learned that a revolution had taken place in China, that the Chinese Emperor was gone and that Dr. Sun Yat-sen, the Father of the Chinese Republic, was pursuing a cultural course similar to that taken by the Soviet people. The Russians came to know that Dr. Sun Yat-sen was struggling for popular education, for democratic rights, for the independence of the Chinese people.

The Russians suddenly discovered that they had as their neighbor a huge country, a nation of some 450,000,000, struggling for similar cultural riches, that the Chinese possess a very ancient and profound culture, that the Chinese masses are awakening to the blessings of genuine knowledge, democratic rights, modern science and industry.

All this could not but heighten the interest of the Russians in the Chinese, their literature, art, mode of living, customs and beliefs.

Thus, after the October Revolution more and more Chinese authors were being translated into the Russian language.

Revelation To Masses

For millions of Soviet men and women books of Chinese authors came as a revelation. For the first time in history millions of Soviet citizens came to the realization that their neighbors, the Chinese, have much in common with them, that they too strive for emancipation, that they, too, seek access to all the blessings of culture and knowledge, that they, too, wish to become complete masters of their own land.

From Liu Hsin's "Genuine Story of A-Q," the Russians got an idea of Chinese village life, of village customs and social relations existing between different classes and individuals. Books by Liu Hsin, Mao Tun, Lao She, Tien Chun, Hsiao Hun, Ting Lin, Sha Ting, have aroused among millions of Soviet readers profound sympathy for the Chinese people, the village folk, the peasants, toilers, petty merchants, for the Chinese psychology and capacity for hard work, for their patience, democratic spirit and respect towards individual rights and freedom.

When the famous Mei Lan-fang visited the Soviet Union with his theatrical group in 1935, hundreds of thousands of Soviet men and women, acclaimed his illustrious art, and paid tribute to the ancient Chinese drama. When the noted Chinese historian and writer Kuo Mo-jo visited the USSR in connection with the 220th anniversary of the Russian Academy of Sciences, Soviet writers, artists, scientists, industrial and public leaders extended to him the warmest welcome.

At the present moment the Chinese progressive writer Mao Tun, who is touring the Soviet Union, is sending here correspondence on various items and events of general interest he comes across in that country.

Wide masses of the Soviet people are following cultural developments in China with keen interest. Lectures on things Chinese are becoming ever more popular.

This interest, however, is not one-sided. The Chinese too are interested in the cultural life of their neighbor.

The Chinese—especially literary circles, students and cultural workers—are fond of both the old Russian and modern Soviet literature. In Chinese bookshops one comes across translations from the works of Maxim Gorky, Turguenev, Tolstoy, Constantine Simonov, Kataev and Wanda Wassilewska.

Russian Works Translated

The first part of Tolstoy's "War and Peace" was translated by Kuo Mo-jo and the second part by Kau Chieh. A new edition of the Chinese translation has just been published in Shanghai. The edition was issued by the Lo Tau publishers and comprises four volumes with illustrations.

Tolstoy's "Anna Karenina" was published recently by the "Life" Publishers, while his "Resurrection" appeared in a second edition published by "Culture and Life." Practically all the books by Maxim Gorky have been translated into Chinese. Many of his short stories are well known in China. The Epoch publishers have just published Simonov's "Days and Nights" in Chinese, translated by the Lei Jen. "The Regiment's Son," by the Soviet writer Kataev, translated by Mao Tun, appeared quite recently while Wanda Wassilewska's "Rainbow" or "Raduga" has already appeared in its fifth edition.

Wanda Wassilewska's "Rainbow," depicting the struggle of the Soviet people against the Nazi invaders, is especially popular with the Chinese because conditions and events described in her book very much resemble those that existed in China during the struggle of the Chinese against the Japanese aggressors.

New Series Planned

The Sino-Soviet Cultural Association is now preparing for publication a series of popular books on the USSR. It is planned to issue 12 books this year, devoted to diplomacy, general economics of the Soviet Union, the Soviet state and social systems, the Soviet woman and child, Soviet literature, theater, art, cinema, Soviet science, etc.

The work is being done under the guidance of the prominent Chinese poet, writer and historian Kuo Mo-jo. This popular edition on things Soviet will comprise scores of original essays and articles by a comparatively large number of Chinese authors.

In a short article it is difficult to give an exhaustive outline of Sino-Soviet cultural relations. But from what one may gather from the above, it should be clear that relations between the Chinese and Russian peoples are being determined predominantly by cultural values, historical ties and mutual spiritual interests, assertions to the contrary notwithstanding. Political issues as such influence Sino-Soviet relations only insofar as they have a bearing on the most cherished moral and social values—culture, democratic freedom, human rights, art, science, popular dignity, national independence and authority of the working masses.

$10,000 Notes Issued; Prices, Shares Continue To Climb

THIS week has seen another spectacular upsurge of prices, partly due to uncertainty as to whether and when the anticipated American loan of US$500,000,000 will be granted. Inflation was such that the authorities have decided to issue CNC notes in $10,000 denominations.

The giddy climb is led by stock quotations. While brokers reportedly look askance at prices far out of line with the value of securities, their cautious selling is more than offset by the bullish activities of other merchants—gold merchants, wool merchants, exchange merchants, foreign exchange merchants, and all others who find activity in their normal line of business unprofitable or impossible.

On the stock exchange the relationship of price to earning power is no longer of the essence. Activity is purely speculative; idle capital is being flung on the market in the expectation of further inflation of prices. It is rumored that Wing On Textiles which have already achieved the record height of CNC$4,700 are to rise to CNC$7,000.

Rice Price Held

Thanks to the continued sales of the Bureau of Social Affairs, rice is more or less stabilized at CNC$160,000 to CNC$180,000 per picul. However, cotton yarn and cotton cloth have shot up, artificial and raw silk following closely. On April 21 42's Blue Phoenix cotton yarn achieved CNC$13,000,000 per bale, while 12 lb. Dragon Head sold for CNC$270,000 per piece. Artificial silk increased to CNC$10,000,000 per case, Class D raw silk to CNC$411,000,000.

It is hard for the authorities to cope with the situation as outport prices remain high. In Manchuria, following the ban of exports from Tientsin, 20's yarn soared to CNC$12,000,000 per piece while the Shanghai price was around CNC$7,000,000. Hope is dawning that prices may drop with the arrival of more cotton from abroad and from the interior and with the prospective US$40,000,000 in foreign exchange to be advanced by the National City Bank of New York for raw cotton imports.

China Textiles Discouraged

China Textile Industries, Inc., has continued to sell yarn and cloth during the past few weeks at the official price, in spite of the climbing market price. Well informed sources believe that it may soon stop the ration sales. The general manager of the company states that a sum of CNC$80,000,000 has been lost during the past month by adhering to the official price. This sizable sum has gone into the pockets of the textile merchants who buy from the China Textile Company and sell in the black market. The manager opines that continued sales by the company at the official price will not help to stabilize the market.

The commodity price index as compiled by the China Institute of Economic Research was 19,264 for the second week in April as against 18,142 for the preceding week. The index for March was 18,361, for February 17,658, and for January 10,363. These figures were computed with 1936, the base year, equal to 1.

Foreign Trade

According to figures released by the Maritime Customs, China's foreign trade in January showed an import excess of CNC$102,100,000,000 as against CNC$82,500,000,000 in December. Total imports of January were valued at CNC$150,625,430,000, exports at CNC$48,475,330,000. Gasoline, kerosene and other oils lead the list of imports valued at CNC$22,600,000,000. Next in importance was paper at CNC$13,500,000,000. Raw cotton which was the principal import last year dropped to sixth place, valued at CNC$7,700,000,000 in January.

CNC$11,300,000,000 worth of tung oil headed the list of exports followed by bristles valued at CNC$5,700,000,000. UNRRA imports for the month totalled CNC$15,300,000,000.

The following table gives the quotations of some of the leading commodities on April 19:

	April 12 CNC$	April 19 CNC$
Bond C	15,600	14,400
Wing On Textile	3,410	4,180
Mayar Silk	11,880	15,400
Ewo Cotton	40,000	40,300
Rice	144,000	160,000
Wheat Flour	65,000	69,000
Peanut Oil	390,000	400,000
20's Yarn	4,800,000	5,600,000
12 lb. Cloth	185,000	227,000
Raw Silk	8,500,000	11,450,000
Artificial Silk	8,300,000	9,800,000
Ruby Queen Cigarettes	45,600	50,300
Koo Ban Soap	223,000	253,000
My Dear Matches	1,400,000	1,490,000
Newsprint	135,000	145,000

BUSINESS FOOT-NOTES

The Sino-Portuguese Treaty whereby Portugal surrenders her extraterritorial rights in China was ratified by the Supreme National Defense Council in Nanking on April 21. Previous to this, the Danish representative in Nanking signed a treaty calling for the relinquishment by Denmark of her extrality rights in this country.

* * *

The Bank of China paid HK$3,475,000 for 15,000 square feet of land in the heart of Hongkong city when the Hongkong Government sold the site of the former City Hall in one of the Colony's largest real estate deals. Sir Robert Ho Tung was among the bidders but retired when the Bank of China exceeded the set price by almost HK$500,000.

* * *

The total abolition of urban hawkers in Hongkong was approved by the Hongkong Executive Council last week, with a recommendation for the creation of special hawker markets to accommodate from 10,000 to 15,000 hawkers. The director of medical services stressed that all markets should be under government supervision and concrete foodstalls should be erected according to approved hygienic standards.

* * *

The sale of 10 Liberty ships to China for US$5,000,000 was approved by the United States Maritime Commission last week.

* * *

The Central Air Transport Corporation has inaugurated regular passenger flights between Shanghai and Tihua, in Sinkiang, in compliance with Ministry of Communications instructions. The route is via Nanking, Hankow, Sian, Lanchow and Suchow and flights are scheduled every fortnight.

* * *

The Central Trust has ordered 50,000 tons of coal from the United States and Canada expending more than US$1,750,000 worth of foreign exchange in the transactions, the *Shun Pao* reported. The coal is to be shipped by Chinese vessels at US$20 per ton, and by American ships at US$35 per ton. When the coal arrives it will be stocked for emergency uses, the paper said.

* * *

Vice-Minister of Communications Ling Hung-hsun denied Chinese press reports that an agreement had been signed with a French banking syndicate for the construction of a railway between Chungking and Chengtu. The vice-minister said that negotiations for a loan to finance the construction of the line were continuing but stressed that the construction work has already begun.

* * *

China's trade deficit came to CNC$102,000,000,000, in January when imports totalled CNC$150,625,000,000 while exports were only CNC$48,475,330,000. This deficit compares unfavorably with December's import excess of CNC$82,500,000,000. Among imports in January, gasoline led paper, metals, tobacco and woolen goods. Exports were headed by tung oil and bristles.

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NEWS OF THE WEEK

Democratic Socialists Split Over Participation In Government

THE reorganization of the Government which took place this week and was climaxed by the signing of a tri-partite agreement on the mode of political symbiosis, was hailed by Government-owned and controlled newspapers as the beginning of constitutionalism in China. Generalissimo Chiang Kai-shek interpreted the event as meaning that "besides the Kuomintang, all minority parties and non-partisans participate in the Government." He also said that the KMT's purpose—the return of political power into the hands of the people—has "also been accomplished and a new era of democracy and constitutionalism has been ushered in."

While only the future can show how much of the political power was actually returned to the people and whether democracy and constitutionalism really came to this country, the issue of participation of "all minority parties and non-partisans" was open to question with the decisive split in the Democratic Socialist Party.

Seven Central Committee members of the party issued a statement this week charging that Carson Chang unilaterally acted in joining the reorganized Government "irrespective of the opinion and resolution of the majority of the CEC members."

These leaders, who remained in the majority, called Chang's action "dictatorial" and "completely against the democratic spirit." This development, the opposition majority said, was only the result of a number of unilateral actions on the part of Carson Chang who walked out on a meeting which did not uphold his views.

Following Chang's trip to Nanking to sign the tri-partite administrative program agreement, the CEC majority issued a statement to the press in which it said:

"We do not understand why the press should have it that the party has decided to participate in a certain branch of the Government, because the Central Standing Committee of the party has never made any decision to this effect. Though Mr. Chang is the chairman of the party, yet he cannot make such arbitrary decisions without authorization from the party."

In Peiping, two prominent leaders of the Democratic Socialists, Liang Chiu-shui and Chang Tung-sun, decided to organize another party, and as the reason for their decision said that Democratic Socialist participation in the Government would not assure the cessation of hostilities or the safeguarding of human rights in China.

New State Council Takes Over

THE Supreme National Defense Council which served as China's highest policy making body throughout the war, was dissolved this week and its place taken by the newly-organized State Council in which representatives of the Young China Party and the Democratic Socialists are included. The new State Council unanimously approved General Chang Chun, former Szechuen governor, as the new premier. "I will give what I have and what I am in the interests of national unity, democracy, peace and reconstruction," the new premier declared.

Thus, the split which developed in one of the two minority parties which agreed to take part in the reorganization of the Government to give it some semblance of popular representation detracted substantially from the effect of the reorganization.

Democrats Arrested

THE Central Standing Committee of the Democratic League, which has not been heard from for some time, met last week to hear the reports of Lo Lung-chi and Chang Po-chun on the results of their negotiations in Nanking with the authorities for the release of Tu Pin-cheng, Lo Pin-chi, and other DL members arrested in various parts of the country.

The committee reached the following decisions: 1) Inasmuch as negotiations with the Government for the release of the arrested did not bring results, the League will file a formal protest with the Government, and 2) The League will announce its attitude towards the Government reorganization.

The arrests of people continued in many parts of the country and were reported by such liberal papers here as the *Wen Wei Pao* and the *Sin Min Wan Pao*. Among these recent cases was the arrest of a bookstore manager in Chungking, the disappearance of a certain Wu Pao-lin and his sister in this city, and the roundup of alleged Communists who, *Central News* said, were "holding a clandestine meeting to map out plans to spread terroristic activities here."

The U.S. Loan

WHEN the reorganized Executive Yuan begins work, the six third-party and independent members will have a hard time voting against the 17 KMT members in this executive branch of the Government. The Presidents of the five Yuan still remain KMT members and all this has lead one observer to note that the Government if no longer KMT is still KMT-dominated and controlled.

Central News hastened to get a Washington reaction story which began with "Washington is generally gratified by the reorganization," but managed to get statements from such well-known KMT supporters as Representative Walter Judd and Owen Brewster, and a "no comment" from Acting Secretary of State Dean Acheson.

The *Central News* added a most significant passage which reflected official anxiety:

"American Communists, sympathizers and left-wingers will naturally greet the Nanking reorganization as mere window dressing and meaningless. But few if any will be duped by their reactions."

Close on the heels of the reshuffle, the subject of the American loan cropped up for discussion in various quarters. The question: Have the Truman prerequisites for the loan been fulfilled?

The *Tien Pao* reported that an exchange of letters was carried on between Washington and Nanking and the "loan will probably be announced upon the return of General Marshall from the Moscow conference." The paper said that another loan of US$1,000,000,000 for the rehabilitation and reconstruction of China has been earmarked according to "unimpeachable sources."

These hopes were somewhat rudely shattered by an *AP* report from Washington that the loan is to be

The above picture, from BUSINESS WEEK, shows raw silk being loaded at Yokohama for shipment to the United States. Silk is a major export item in Japan's postwar struggle to regain her economic footing.

withheld until "China achieves peace and unity and develops a workable reconstruction plan."

Settlement Far Off

WHEN the Peiping-Hankow Railway and the Tientsin-Pukow Railway are again operating along their entire lengths, the Chinese Government will approach the Communists for a political settlement. This is reportedly the assurance given by Generalissimo Chiang Kai-shek to Democratic Socialist leader Carson Chang. Also, another proviso is that the Communists should be willing to lay down their arms.

Carson Chang rightly noted that "it will still be a long time before the primary conditions can be met." One of the reasons for this pessimism was the fact that instead of clearing the Pinghan railway which had until recently been more or less fully controlled by the Nationalists, the Communists had succeeded in taking several railway stations both at the south and north ends of the line, after severe fighting.

After the trend which became evident last week: the Communist plan to sever both the Lunghai and the Taiyuan-Puchow railways, fighting broke out along the central sector of the Pinghan railway, close to the Lunghai line. The battle for Shihchiachwang continued unabated, characteristically see-saw in the villages which surround the railway junction.

The Communists developed their offensive on the southern sector of the Tatung-Puchow line and took Wanchuan, according to *Central News*. As last week, Government force continued crossing the river to lift the seige of Yungcheng, the Reds' main objective, the report said.

Nationalist forces sallied forth from Tientsin and took the Communist town of Shengfan, 45 kilometers north of the city.

In Shantung, the Government forces opened a drive on Communist forces in the area of Tangchen, 40 miles southwest of Mengyin. General Tang En-po, former mayor of Shanghai, was commanding the "large-scale mopping up operations."

In southern Shansi, which reports said the Communist plan to transform into their main base of operations," the Reds captured Ishih, only a few miles from the Tatung Puchow line and 35 miles from the Lunghai railway.

The next day reports said the Government forces retook the town of Ishih, while the Reds were preparing for another attack on Lishih and Hsihsien, 56 miles northwest and 80 miles southwest of Fengyang.

Fifty thousand Communist troops were attacking the railway town of Tangyin, on the Pinghan railway in Northern Honan, and also captured Chihsien, a rail station 40 kilometers from Sinsiang, on the same line.

The capture of Chihsien brings the Communist forces to roughly 80 miles north of Chenhsien, near Kaifeng, and places under threat the entire length of the Lunghai from Kaifeng to Sian. In most places, according to the various reports, the Communists are within 50 to 80 miles north of the Lunghai railway.

On the northern section of the Pinghan railway, "big numbers of Government forces were making preparations to clear the rail section between Paoting and Shihchiachwang," according to *Central News*.

The military situation in Shansi is becoming "increasingly serious" for the Nationalists as Communist troops continued their offensive in that area, *AP* reported from Nanking.

The Communist news agency, describing the battle for the capture of one point in this area, said that the Red troops climbed the city walls in 10 minutes and finished the battle in 30 minutes. "Five companies of puppet troops under Sun Tien-yin were completely wiped out. Among the trophies were one anti-tank gun, three mortars, 50 heavy and light machineguns, 808 rifles, 150,000 rounds of ammunition."

Unrest In Szechuen

REPORTS coming from Chengtu and Chungking indicate that all is not well in the province which was once called the "base of national regeneration."

The *Wen Wei Pao* correspondent from Chungking reports that "social depression, rampancy of banditry, and the increasingly great dislocation of the social order from day to day" prevail.

The Communist troops, the corres-

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What U.S. Papers Say . . .

PRESIDENT Truman's proposal that the Neutrality Act be revised to allow the control of trade with aggressor nations antagonistic to the United States was well received by American papers, as was Marshall's statement of U.S. intentions in Korea. The *New York Times* carried an editorial approving measures taken to reorganize the Chinese Government.

* * *

NEUTRALITY

A NUMBER of leading papers along the United States eastern seaboard expressed their approval of Truman's proposal to Congress that the Neutrality Statute governing armaments exports be revised.

Accoring to the *New York Sun:* "The request by President Truman for revision of the Neutrality Law may not, in the present state of world affairs, create the storm that attended the proposal for the grant to his predecessor of similar powers over the export of arms and munitions." It said that the country has "found out that maintaining neutrality in all conditions is no certain way of avoiding trouble."

The *New York Times* recalled that in 1937 it had objected to no distinction being drawn between aggressor and victim.

* * *

CHINA

THE *New York Times* took a hopeful view of the reorganization of the Chinese Government.

"The announced appointment of General Chang Chun as head of the Executive Yuan and the admission of Social Democrats, Young China Party members and some non-partisans to government posts is a step toward democracy. It could be an important step if the new elements are allowed free and public criticism by Chiang Kai-shek, and if General Chang is supported in a long-overdue house-cleaning of corrupt officials and in a reorganization of (government) bureaus and of the army.

"The present reorganization does not fulfil the Political Consultative Conference decisions since it does not include the two major political organizations outside the Kuomintang —the Democratic League and the Communists. But inclusion of these now is impossible. The League has largely lost its strength after the campaign against it by the Kuomintang, and the Communists are as committed as Chiang to all-out civil war, in which they hope eventually to wear down the Nationalists and gain control of the whole country.

"The new Premier, General Chang, is generally credited with being progressive. As a member of the Committee of Three which brought about a truce between the Communists and Chiang last year, he worked closely with General Marshall. He is believed to be one of the 'liberals' on whom Mr. Marshall, when he issued his statement on the failure of his mission to China, said the hope of peace and unity in China depended. His appointment is the best earnest of Chiang's intentions.

"China's economic, political and military affairs are in such sad state that progress necessarily will be slow, no matter how good the intentions. But if the new Government to be formed works earnestly at them and within the framework of the new constitution, whose adoption was the first step toward democracy, then there is hope that chaos can be averted in Asia's largest country and some semblance of progress achieved."

* * *

KOREA

EDITORIAL opinion strongly backed General Marshall's stand on the Korean question. According to the *New York Times*, "The problem of Korea is one that can be settled only at the Moscow-Washington level. It was on that level that the problem was created, in the decision taken at the Yalta conference for joint occupation of the country. It is only on that level that it can be resolved."

According to the *New York Sun*, while the partitioning of Korea will be unsatisfactory and short of fulfillment of the original problem, the United States cannot in good conscience "turn over to the tender mercies of northern Korea, armed and schooled in authoritarianism by Russian occupation forces, those in the southern zone who are being encouraged to believe that their democratic aspirations will be realized."

The *St. Louis Post-Dispatch* remarked that "The proposal of Foreign Minister Wang of China that his country and Britain join the United States and Russia in talks on Korea is a sound one. For 11 months now, since the Seoul conference on a provisional government broke down, it has been evident that Russia does not intend to carry out its promises of a united Korea.

"China and Britain were included in the five-year trusteeship decided upon at Moscow in 1945, so they are on formally correct ground in calling for a four-power conference on the subject. . . . No nation has a more direct interest in Korea's future than China. As Chiang Kai-shek has said, 'If Korea is not independent, not only can China's independence not be complete, but the peace of East Asia and the world cannot be secure.'

"It has now become a matter of how much pressure can be brought to bear on Russia. That nation has many strong reasons for wanting to keep northern Korea under its thumb. It could thus protect its maritime provinces and Port Arthur, offer formidable industrial support to the Chinese Communists in Manchuria, and keep Japan under constant threat. The Soviet has not been willing to give up these advantages on account of any pressure which the U.S. Government has been able to apply. It is plainly time to see whether the other prospective trustees, by joining, can tip the balance."

pondent said, were penetrating into the Hunan-Hupeh border and a Szechuen-Shensi-Hupeh Border Pacification Headquarters at Ichang received a new chief to counter their infiltration.

A look at the map would indicate that "social unrest" has spread to all the borders of Szechuen with the most intense "pacification" in progress on the western border where the "pacified" tribes of Sikang Province have reportedly arrived. It would appear that the unrest on Szechuen's western borders is the direct result of the recent battles in Sikang.

In the province of Szechuen itself, the setting up of pacification bases only a few miles from Chengtu meant that "the maintenance of peace and order in Szechuen has crumbled with the return of the national capital to Nanking," as the *Wen Wei Pao* writer put it.

The general situation in Szechuen has been summed up as follows: "One can hardly travel in safety with even three liang of salt on one's person," without being robbed, while a lot of the pao and village chiefs are forced to collaborate with the "bandits" to ensure their own safety.

The Government intends to borrow 2,000,000 piculs of rice from the province of Szechuen to replenish the supplies of the Nationalist armies, the *Wen Wei Pao* reported last week. This quanitity of rice is to be deducted from the tax in kind to be collected from the province in the current year.

* * *

Japanese Commerce and Industry Minister Mitsujiro Ishii declared in Tokyo recently that Japan will shortly import oil and coal from North China. Japan's imports from China consist mainly of salt, and last year 253,744 metric tons of salt were imported. Ishii, who spoke while on an election campaign, revealed that Japan's present adverse trade balance is the equivalent of US$170,000,000.

* * *

The Ministry of Economic Affairs is planning to establish a large wood pulp factory in the Shanghai area, according to local press reports. This is designed to offset the current shortage of paper created by the scarce supply of wood pulp and also by the restrictions imposed on imports by the Board of Temporary Regulation of Imports.

* * *

The first duty-free airport in the world was opened in Shannon, Southwestern Ireland, last week. Immediately following the opening of the customs-free field, which is to serve as a link between the American continent, North and South Europe and Asia, airport police took up their positions around the 800 acre zone as a safeguard against smugglers. The Shannon airfield has been functioning for 18 months and cost the Irish Government £3,000,000 to construct.

* * *

The recent drop in Chinese silk prices abroad has been caused by the increase of Japanese silk exports, Shen Hsi-rai, secretary-general of the Export Trade Development Board, told the *Shang Pao*. A secondary reason, the paper said, was that a certain saturation of the American silk market has been reached. Shen said that the Chinese Government will lodge a protest with SCAP against the low price of Japanese silk exports.

What Chinese Papers Say...

THE main subject of editorial comment during the week has been the signing of the agreement between the three parties now in the Government and the naming of Chang Chun as the new premier.

• • •

REORGANIZATION

IN a lengthy editorial, the *Ta Kung Pao* analyzed the reorganization of the Government and said that its feelings on the subject were quite complex.

"According to the spirit of the PCC resolutions, the reorganization of the Government should have been symbolic of peace, democracy, national unity and progress," the paper said. This symbol has been "diluted" due to the absence in the Government of the Democratic League and the Chinese Communist Party. "This is the first reason why people are dissatisfied," the *Ta Kung Pao* declared.

The paper then asserted that the new administration is a "multi-party government responsible to one party." The reorganized administration will continue to be a political tutelage and to be responsible to the Kuomintang, according to Article 15 of the organizational law of the National Government. The paper noted the contradiction existing between the three-party administrative program and the newly-revised organizational law of the National Government.

The *Ta Kung Pao* concluded: "Our state of affairs long ago reached a desperate stage. Although the present reorganization of the Government smacks of a 'change,' yet it is not yet a 'solution.' If we want to improve ourselves, we still need to make a serious effort."

The *Lien Ho Wan Pao* noted that even if the two minority parties can unite in single purpose they would still be unable to prevent the KMT from passing any resolutions which they oppose. They will be unable to exercise the veto power, and "in reality, they are just guests who have been invited to participate in the Government, and the new Government is still controlled by the KMT."

The journal stressed that the presidents of the five Yuan were KMT members, although the minority parties may eventually be granted two or three vice-presidential posts. But according to the new organizational law, the presidents of the Yuan are responsible to the National President. "Not only that, but in order to strengthen its control of the Government, the KMT has revived its Central Political Council in place of the Supreme National Defense Council," the paper said.

The KMT Army organ *Ho Ping Jih Pao* carried an editorial which was entitled: "Base of National Government Broadened; Entire Nation Enters Stage of Constitutionalism."

The *Chung Hwa Shih Pao*, organ of the Young China Party, commenting on the reorganization of the Government, said that "while one is not entirely satisfied with the signing of the 12-point administrative program, yet the views of various quarters have been incorporated in the program and the latter must, therefore, be considered as a crystallization of the agreement on political questions. The paper said that the democratization of China will make steady but slow progress, and will be definite and reliable."

• • •

WALLACE

"WE are worried about the United States," the *Ta Kung Pao* said in connection with the reaction reported from the United States on Henry Wallace's speeches in Europe. The paper noted that "rightist politicians" did not directly reply to Wallace's charges but were content with disputing his right to say what he did.

The *Ta Kung Pao* asserted that the Democratic Party politicians' demand that Wallace be punished is only one of the very large number of cases where the "by the people, of the people and for the people" Constitution of the United States has been recently violated. The paper gave as an example the State Department's "internal purge" of 200 of its employees who were forced to "resign voluntarily."

"Even the semi-official Institute of Pacific Relations, which is grey in color, and which is very much like an institution of learning, was accused of being a Communist organization by the U.S. China Policy Association," the *Ta Kung Pao* said.

"We are pleased that at this time when the world has been divided into two and when the nations of the world are heading for two extremes ....there are courageous and upright people like Wallace," the paper concluded.

The KMT-supervised *Sin Wan Pao* commenting on Wallace's speeches, said that Wallace had not criticized the Soviet Union strongly enough.

"We sympathize with Wallace's advocacy of peace and oppose the policy advocated by some Americans of trying to control the whole world under the pretext of removing the Communist threat. At the same time, we also oppose Soviet Russia's attempt at territorial expansion. We hope that the United States and Soviet Russia will get rid of their own prejudices and accept the advice which Wallace has given."

"We also hope that from now on, Wallace's views will become less theoretical and more realistic and that his principles will be converted into concrete plans, so that his arguments will be more powerful and more convincing and so that he can make a more definite contribution to world peace," the paper said.

Who's Who in China

Y. K. KUO, judge and university professor; born at Yu-huan, Chekiang, in 1889; at age of 15, passed first literary examination, receiving degree of Hsui-tsai or licentiate; studied at Fuhtan Col-

Kuo Yun-kuan

（郭雲觀字岡喬）

lege, Shanghai, 1906-8; at National Peiyang University, 1911-15, from which was graduated LL.D. degree; having passed diplomatic and consular service examination in 1916, joined Ministry of Foreign Affairs; in 1917, was sent to America and took post-graduate courses on International Law and Diplomacy at Columbia University, New York, U.S.A.; appointed associate secretary to Chinese Delegation to Peace Conference at Paris, 1919; while in France, studied continental law and legal philosophy; returned to China in 1920, and became a codifier of Law Codification Commission and concurrently member of Peace Treaty Discussion Commission and member of Extraterritoriality Discussion Commission; went to England as secretary to Dr. Wang Chung-hui, Chinese member of International Commission to Study Proposals for Amendment of League; technical expert to Chinese Delegation to League of Nations at Geneva, 1921; senior secretary to Chinese Delegation to Washington Conference, 1922; upon return was appointed judge of Supreme Court of China, and remained in this post until 1925; in 1926, joined faculty of Yenching University as professor of civil law and jurisprudence; in 1928, was elected chairman of Department of Jurisprudence and concurrently acting vice-president of University; in May 1932, was appointed counsellor to Ministry of Judicial Administration; in November of same year, was appointed president of District Court for First Special Area in Shanghai; received honorary degree of LL.D. from Fuhtan University, 1935; published his collected legal papers, 1939; appointed concurrently president of Second Branch, Kiangsu High Court, Shanghai, 1940; withdrew to interior after Japanese military occupation of International Settlement, Dec. 1941; when victory came in Aug. 1945, was instructed by Government to take over and reorganize all courts, prisons and detention houses in Shanghai, and was appointed president of Shanghai High Court; during 1946, was twice concurrently director of Shanghai Office of First and Second Judicial Officials Examination Commission: address: The Shanghai High Court, North Chekiang Road, Shanghai.

NEW BOOKS OF INTEREST

Old China Hands

WIND ACROSS THE WORLD *by Dorothy Graham. Published by G. P. Putnam' Sons, New York,* 1947. 278 *pp. Reviewed by Marion Barney,*

THIS idealized portrait of an Old China Hand is quite an interesting book.

The heroine is a woman, brought to China as a child who has become addicted to the country. Instead of trying to delve into the why and wherefore of the Orient, the author has depicted what it means to the Westerner who truly loves it. Instead of exposing the secrets of the Chinese compound family, she has portrayed the taipan in his gilded lair with his languid women and bloated ego. The book opens in 1896, covering the Boxer rebellion, the attack of the Revolutionaries on Shanghai, the First World War, and closing in 1927.

Kit Fenton is the daughter of the engineer who built the Shanghai-Nanking line. The scene is laid mostly in Shanghai and its environs, with side trips up the Yangtze as far as Nanking, and to England. The atmosphere is quite skilfully created.

Out of this effete society emerge several idealists—Kit's father, who has learned to accomplish his works in spite of the obstacles created by Chinese officialdom; Kit herself, whose whole life is wrapped up in China, and whose ideas change with the changing times; Kit's husband, who simply doesn't like the country and cannot compromise with his principles in order to get along; Kit's son, a radical who begins as a Communist and ends up believing that the Chinese must find their own peculiar solution; Kit's second husband, a journalist with the interests of the "lao pai hsing" at heart.

The book ends up on a note of optimism as to the country's future according to the lights of her well-wishers. The oldest country in the world will somehow pull through without losing her individuality and that which is valuable in the civilization which she has evolved.

While the book is unpretentious, it has a good deal to offer and is most pleasant reading. The peruser may sometimes get a little irritated with the attractive heroine who always seems to know what she is about, and to be motivated by the highest of principles. The various crises through which the foreign communities pass are well managed; the mobbing of a medical missionary lady in Nanking; the siege of Shanghai by the Revolutionaries. But the most fascinating thing in the book is the stuffy, self-important Mowbrays, the embodiment of all that is objectionable in the Old China Hand.

Californios

VERMILION *by Idwal Jones. Published by Prentice-Hall, Inc., New York,* 1947. 495 *pp.*, US$3.00. *Reviewed by M. B.*

THOSE who are addicted to historical novels and family sagas will be delighted with this book. It leaves very little to be desired.

Pablo Cope, founder of a fortune in mercury, began his successful career in California shortly before that territory was taken into the Union. With experience gained in Cornish and Spanish mines he developed a mercury mine on his own property—The Five Apostles. Around the mine centered the lives of his children and grandchildren, until it petered out, in the third generation killing the last of the mining Copes. The old man's grandson returned to the land as a farmer with Paula Cope, daughter of Pablo's adopted son Gervase, who handled the Canton branch of the business.

The historical scene is set with extraordinary vividness; the setting of the "Californios" with their Spanish traditions; Torpen Old Mine, the work of generations in Cornwall; the Castilian mine, Talavera, rooted in ancient history; and the mandarin world of Canton. The story is really laid in these scenes, it does not simply run along with a few extraneous incidents typical of the times thrown in to instruct the reader as to how things were in those days. There are many lovely descriptive passages notable for their cumulative effect although they have also individual excellence. Mr. Jones combines a most colorful imagination with a scholarly command of his subject.

Most of the characters are handled as types rather than individuals. The approach is rather impersonal. They are figures in a pageant rather than the protagonists and antagonists of "deathless drama." While Don Pablo and many of his generation are of heroic stature, the strain seems to peter out with succeeding generations until the return to the soil with Esmey and Paula, who have their own strength. This is actually the story of a family and their dependants rather than of individuals.

Perhaps the most vivid personalities in the book are the Five Apostles Mine and Alamos, the *rancho* on which it is situated. These are more than background; they are imbued with a kind of animism.

The story is largely unfolded in a series of flashbacks. The reader is not present at births, deaths and marriages but becomes acquainted with them as faits accomplis. An exception is the death of Val, who was killed in the mine in retribution for having pillaged it for his own purposes. This passage is particularly vivid.

"Then he crawled in. The mud was rather a help; he could slither through it like an eel. Ten yards ahead was a fair-sized hollow, and he wriggled onward with that in mind, pushing before him his slender, wand-like torch. He had made this expedition six or seven times before, but he had the uncomfortable feeling that he was off his accustomed trail. That was it—he had shifted sideways too far. He squirmed back, and found himself again in that familiar, miniature ravine. If he were only a few pounds lighter, or more agile! He hollowed out a space for his shoulders, scooping out handfuls of mud and plastering them against the walls of this narrow ravine; then he turned over, face up. Useless to keep poking the lamp onward; he let it drag by the strap attached to his wrist. That made a heartening glow behind him. Inch by inch he squirmed on, his sharp boot-heels giving him purchase in the mud. He came to a collapsed baulk that had held up the roof, and it was on a slant over him. A crossbeam of rotten timber was all but grazing his forehead. The channel seemed narrower. If he could wrench himself out of this impasse, he would be in the clear, for the ravine would have to widen in another foot. The lamp was gone; a nail had torn off the strap. Nothing for it now but to squeeze back again, but he was caught.

"He was trapped! The blasting in the *hijillo* had settled rubbish and timber in this drift. He was squeezed as if inside a bottle, and terror settled upon him, freezing his blood: a terror as illimitable as the vast weight of the mountain that pressed on his forehead. He gasped frantically for air. There was no air at all, and he realized he would have to tear open his shirt-collar to keep alive. He relaxed his muscles, and anchoring his heels in the gravel beneath the mud, inched himself a hand's breadth outward. Beyond that he could go no further, for a bent spike had hooked him through his belt and shirt. With maniacal effort he tore his arm loose, and fought for breathing space above his head. The timber was rotten; the dry rot fell in handfuls, smothering him; then came the slow, inexorable sifting down of rock in powder, and the darkness beyond darkness."

Guerrilla

"LEYTE CALLING...." *by Lieutenant Joseph F. St. John, U.S. Army. Published by The Vanguard Press. New York,* 1945. 220 *pp.*, US$2.00. *Reviewed by S. E. Shifrin.*

WHEN a war correspondent landing with American troops on Leyte meets an Army lieutenant who for two and a half years worked with Filipino guerrillas the result is often a book. This time it was not Quentin Reynolds, but Howard Handleman of INS, but the result was still a book.

Book titles are misleading and so is this one. It is not mainly about operating a radio station somewhere on Leyte and sending out information about Japanesse ship movements. This is just part of the story of Lieutenant St. John's adventures among the Filipinos and his connection with the United States Forces in the Philippines—USFIRP for short.

A book in the first person singular and about wartime experiences has to be personal and it is, but some of the grimness of wartime life in the Philippines has still managed to creep in with the picturesque and the heroic.

St. John's short chapter on requisitioning from Chinese merchants may help explain a little the animosity which still seems to exist toward them. On top of it all there are a few really good wartime anecdotes where the joke was on the Japanese every time.

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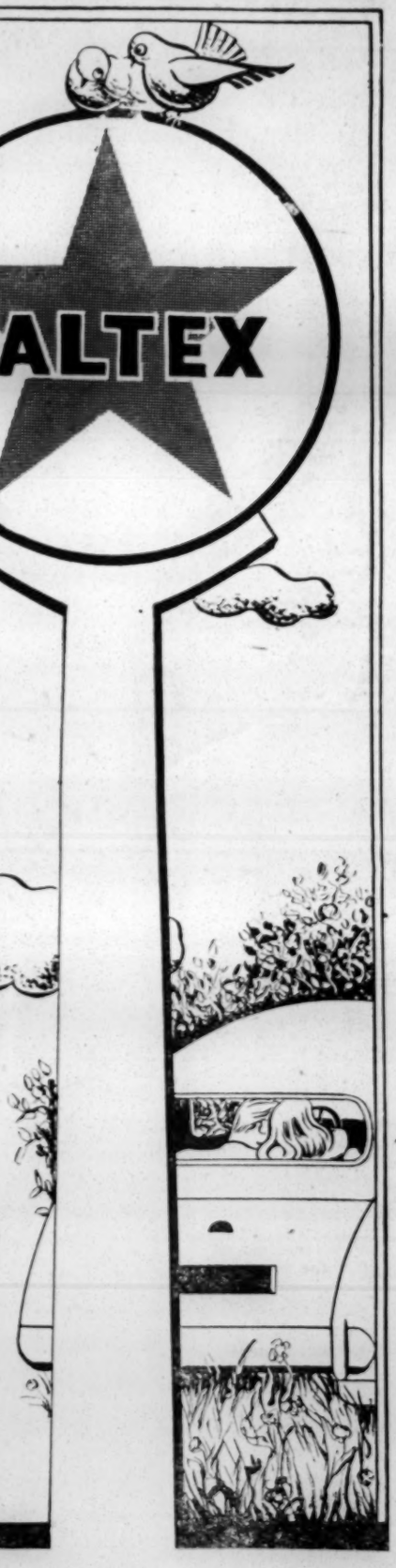

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TIME TABLE

72	4	76	6	8	78	2	10	12	16	TRAIN NO.	1	5	15	7	71	3	9	11	73	77
"Tai Hu" Express	I, II Triumph Exp.	II, III Local	I, II III Exp.	I, II Exp.	II, III Local Exp.	I, II Nanking Throu. Exp.	I, II III Night Exp.	I, II Night Exp.	I, II III Night Exp.	STATIONS	I, II Hangchow Throu. Exp.	I, II III Exp.	I, II III Exp.	I, II Exp.	"Tai Hu" Express	I, II Triumph Exp.	I, II III Night Exp.	I, II Night Exp.	II, III Local	II, III Local Exp.
6.40	7.00	7 30	9.00	11.00	12.15	13.30	21.50	23.00	23.30	D SHANGHAI NORTH A	14.45	16.25	18.25	19.35	22.20	22.45	6.35	8.00	10.25	17.10
		8.55	10.16	12.14	13.48		23.27		0.56	D KUNSHAN D		15.24	17.09	18.22			5.28		8.34	16.05
	8.41	9.42	10.57	12.57	14.29	15.17	0.20	1.06	1.43	A D	13.06	14.33	16.23	17.36	20.31	21.06	4.39	5.39	7.10	15.19
8.31	8.48	9.49	11.08	13.04	14.36	15.26	0.27	1.13	1.55	D SOOCHOW A	12.59	14.19	16.17	17.23		20.58	4.32	5.19	7.04	15.09
9.25	9.36	10.45	11.54	13.55	15 36	16.14	1.22	2.08	2.50	A WUSIH D	12.11	13.24	15.14	16.29	19.35	20.10	3.39	4.26	6.00	14.10
	9.42		12.06	14.02		16.23	1.29	2.15	3.00	D A	12.04	13.18	15.08	16.21		20.03	3.33	4.19		
	10 31		12.59	15.03		17.04	2.27	3.13	4 05	A CHANGCHOW D	11.17	12 22	14.05	15.20		19.16	2.35	3.30		
	10.40		13 08	15.15		17.19	2.37	3.25	4.13	D A	11 06	12.09	13.55	15.08		19.06	2.24	3.20		
	11.38		14 00	16.13			3.56	4.29	5.16	A TANYANG D		11.09	12.41	14.05		18.12	1.07	2.03		
	11.41		14.03	16 17			4.00	4.33	5.20	D A		11.05	12.37	13.55		18.03	1.02	2.00		
	12 18		14.40	17.01		18.46	4.46	5.18	6.02	A CHINKIANG D	9.32	10.28	11.44	13.07		17.23	0.09	1.07		
	12.25		14.45	17.17		18.53	4.55	5.27	6.09	D WEST A	9.24	10 21	11.38	12.59		17.15	23.56	1.00		
	13.55		16.10	18 50		20.20	6.30	7.15	7.50	A NANKING D	8.00	9.00	10 00	11.00		15.45	22.00	23.00		

FARE LIST

STATIONS	Kilo.	I Class Ordinary Express		II Class Ordinary Express		III Class Ordinary Express		"Triumph" Express, Nanking & Hangchow Through Expresses I	"Triumph" Express, Nanking & Hangchow Through Expresses II	"Tai Hu" Express
SHANGHAI N. TO:—										
KUNSHAN	52	4,000.	10,000.	2,000.	5,000.	1,000.	2,500.			
SOOCHOW	87	8,000.	10,000.	4,000.	5,000.	2,000.	2,500.	19,500.	10,500.	20,000.
WUSIH	129	10,000.	12,000.	5,000.	6,000.	2,500.	3,000.	19,500.	10,500.	20,000.
CHANGCHOW	168	14,000.	16,000.	7,000.	8,000.	3,500.	4,000.	19,500.	10,500.	
TANYANG	213	16,000.	20,000.	8,000.	10,000.	4,000.	5,000.	30,000.	16,500.	
CHINKIANG WEST	243	18,000.	22,000.	9,000.	11,000.	4,500.	5,500.	30,000.	16,500.	
NANKING	312	24,000.	28,000.	12,000.	14,000.	6,000.	7,000.	30,000.	16,500.	

SHANGHAI - HANGCHOW LINE

TIME TABLE

23	21	61	67	25	1	41	27	TRAIN NO.	24	42	2	68	26	22	62	28
I, II III Exp.	West Lake Exp.	II, III Ord.	IV Mixed	I, II III Exp.	I, II H'chow Throu. Exp.	II, III Ord.	I, II III Exp.	STATIONS	I, II III Exp.	II, III Ord.	I, II N'king Throu. Exp.	IV Mixed	I, II III Exp.	West Lake Exp.	II, III IV Ord.	I, II III Exp.
6.45	8.00	8.15		11.30	16.00	16.15	22.45	D SHANGHAI NORTH A	9.15	12.15	12.35		18.55	20.05	22.30	23.30
7.05	8.16	8.36	9 00	11.53	16.19	16.36	23 06	D SHANGHAI WEST D	8.58	11 55	12.20	17.20	18.37	19.49	22.13	23.12
7.49		9.46	10.29	12.38	17.03	17.46	23.50	A D	7.51	10.44	11.26	15.29	17.48		21.00	22.16
7.54		9.56	10.40	12.48	17.08	17.51	23.55	D SUNGKIANG A	7.47	10.38	T1.21	15.22	17.39		20.54	22.11
9.02	10.02	11.40	12.50	13.50	18.16	19.23	1.06	A D	6.35	9.04	10.13	13.10	16.20	17.54	19.25	21.00
9.16	10.08	11.50	13.15	13.58	18.26	19.33	1.16	D KASHING A	6.28	8.55	10.04	12.45	16.11	17.47	19.12	20.50
10.00		12.33	14 52	14.32	19.01	20.16	1.50	D YEHZAH D	5.56	8.14	9.31	11.53	15.39		18.29	20.18
10.31		13.18	15.56	15.04	19.32	21.01	2.21	A CHANGAN- D	5.23	7.27	8.58	10.40	15.06		17.42	19.34
10.36		13 26	16.10	15.11	19.37	21.06	2.26	D TSENG A	5.19	7.22	8.54	10 27	15.02		17.37	19.27
11.30	11.55	14.45	18.10	16.20	20 30	22.20	3.25	A HANGCHOW D	4.25	6.10	8.00	8.30	14.00	16.00	16.25	18.25

FARE LIST

STATIONS	Kilo.	I Class Ordinary Express		II Class Ordinary Express		III Class Ordinary Express		"Triumph" Express, Nanking & Hangchow Through Expresses I	"Triumph" Express, Nanking & Hangchow Through Expresses II	"West Lake" Express
SHANGHAI N. TO:—										
SUNGKIANG	45	4,000.	10,000.	2,000.	5,000.	1,000.	2,500.	19,500.	10,500.	
KASHING	99	8,000.	10,000.	4,000.	5,000.	2,000.	2,500.	19,500.	10,500.	15,000.
YEHZAH	126	10,000.	12,000.	5,000.	6,000.	2,500.	3,000.	19,500.	10,500.	
CHANGANTSENG	151	12,000.	14,000.	6,000.	7,000.	3,000.	3,500.	19,500.	10,500.	
HANGCHOW	190	14,000	18,000.	7,000.	9,000.	3,500.	4,500.	19,500.	10,500.	25,000.

NANKING-SHANGHAI RAILWAY SYSTEM ADMINISTRATION

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